

CITY OF OAKDALE, LOUISIANA

ANNUAL FINANCIAL REPORT
AND INDEPENDENT AUDITORS' REPORT

YEAR ENDED JUNE 30, 2020

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Oberlin, LA

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CITY OF OAKDALE, LOUISIANA

Management's Discussion and Analysis

Within this section of the City of Oakdale, Louisiana's annual financial report, the City's management is pleased to provide this narrative discussion and analysis of the financial activities of the City for the fiscal year ended June 30, 2020. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

- The City's assets exceeded its liabilities by \$8,768,038 (net position) for the fiscal year reported.
- Total revenues of \$4,716,781 were exceeded by its total expenses of \$5,001,719 which resulted in a current year deficit of \$284,938. In comparison, for the previous year ended June 30, 2019, the City's total revenues of \$5,000,409 exceeded its total expenses of \$4,402,521, yielding a surplus of \$597,888.
- Total net position are comprised of the following:
 - (1) Capital assets, net of related debt, of \$8,296,204 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets. In comparison, as of June 30, 2019, the City's net capital assets were \$8,665,764.
 - (2) For the fiscal years ended June 30, 2020 and 2019, respectively, net position of \$1,428,089 and \$1,420,688 were restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
 - (3) Unrestricted net position, representing the portion of net position available to maintain the City's continuing obligations to citizens and creditors, amounted to deficits of \$956,255 and \$1,033,476 for the fiscal years ended June 30, 2020 and 2019, respectively.
- The City's governmental funds reported total ending fund balance of \$2,163,357 this year. This compares to the prior year ending fund balance of \$1,998,567 reflecting an increase of \$164,790 during the current year. For the prior year ended June 30, 2019, an increase of \$1,291,866 was reported in the total ending fund balance. All positive fund balances are nonspendable, unassigned, assigned, or restricted to particular uses as classified on the balance sheet.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was a surplus of \$435,519, or 16% of total General Fund expenditures and 16% of total General Fund revenues including other financing sources. In comparison, for the fiscal year ended June 30, 2019, unassigned fund balance for the General Fund was a surplus of \$390,136, or 15% of total General Fund expenditures and 13% of total General Fund revenues including other financing sources.
- Overall, the City's financial position deteriorated in the current year, but the City continues to work to improve on this financial position. Much of the financial difficulties were caused by the coronavirus pandemic and the possible misappropriation of funds by the former City Clerk.

CITY OF OAKDALE, LOUISIANA

Management's Discussion and Analysis (Continued)

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

OVERVIEW OF FINANCIAL STATEMENTS

This Management's Discussion and Analysis document introduces the City's basic financial statements, which include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The City also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The City's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other non-financial factors such as diversification of the taxpayer base, or the condition of City infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the City's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both government-wide financial statements distinguish governmental activities of the City that are principally supported by sales taxes and ad valorem taxes from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities principally include general government, public safety and streets. Business-type activities include the water and sewer systems.

The government-wide financial statements are presented on pages 17 and 18 of this report.

FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. There is no individual fund data for non-major funds to be reported in any combining statements.

CITY OF OAKDALE, LOUISIANA

Management's Discussion and Analysis (Continued)

The City has two kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the City's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 21 through 24 of this report.

Proprietary funds are reported in the fund financial statements and generally report services for which the City charges customers a fee. The City's proprietary fund is classified as an enterprise fund. This enterprise fund essentially encompasses the same functions reported as business-type activities in the government-wide statements.

The basic enterprise fund financial statements are presented on pages 25 through 28 of this report.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 29 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information consisting of (1) the management's discussion and analysis (on pages 3 - 12), (2) the budgetary comparison statements which demonstrate compliance with the City's adopted and final revised budgets (on pages 61 - 67), (3) the schedules of the City's proportionate share of net pension liability for the Municipal Police Employee Retirement System (MPERS), Municipal Employee Retirement System (MERS), Firefighters Retirement System of Louisiana (FRS), and Louisiana State Employees Retirement System (LASERS) (on pages 68 - 71), (4) and the related schedules of pension plan contributions (on pages 72 - 75). The required supplementary information also includes the report on fraud and misappropriations (on pages 76 - 77).

Other supplementary information is presented in a subsequent section of this report beginning on page 78, including the proprietary fund's statement of operating expenses by department, the schedule of number of utility customers, the schedule of insurance in force, the schedule of compensation paid to the Mayor and Council members, and the schedule of compensation, benefits and other payments to the chief executive officer.

CITY OF OAKDALE, LOUISIANA

Management's Discussion and Analysis (Continued)

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The City's net position at fiscal year-end is \$8,768,038. The following table provides a summary of the City's net position:

	Governmental Activities	Business-Type Activities	2020 Total	Percentage Total	2019 Total
Assets:					
Current assets	\$ 1,173,386	\$ 271,549	\$ 1,444,935	9%	\$ 1,220,118
Restricted assets	1,097,326	347,848	1,445,174	10	1,504,066
Capital assets	<u>5,407,864</u>	<u>7,124,281</u>	<u>12,532,145</u>	<u>81</u>	<u>13,286,778</u>
Total assets	<u>7,678,576</u>	<u>7,743,678</u>	<u>15,422,254</u>	<u>100%</u>	<u>16,010,962</u>
Deferred outflows of resources	<u>807,165</u>	<u>-</u>	<u>807,165</u>	<u>100%</u>	<u>811,121</u>
Liabilities:					
Current liabilities	364,209	202,660	566,869	8%	608,040
Long-term liabilities	<u>4,595,850</u>	<u>1,891,621</u>	<u>6,487,471</u>	<u>92</u>	<u>6,580,775</u>
Total liabilities	<u>4,960,059</u>	<u>2,094,281</u>	<u>7,054,340</u>	<u>100%</u>	<u>7,188,815</u>
Deferred inflows of resources	<u>407,041</u>	<u>-</u>	<u>407,041</u>	<u>100%</u>	<u>580,292</u>
Net Position:					
Investment in capital assets, net of debt	3,133,796	5,162,408	8,296,204	95	8,665,764
Restricted	1,168,862	259,227	1,428,089	15	1,420,688
Unrestricted	<u>(1,184,017)</u>	<u>227,762</u>	<u>(956,255)</u>	<u>(10)%</u>	<u>(1,033,476)</u>
Total net position	<u>\$ 3,118,641</u>	<u>\$ 5,649,397</u>	<u>\$ 8,768,038</u>	<u>100%</u>	<u>\$ 9,052,976</u>

The City improved upon previously weak current ratios. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio is 3.22 to 1 for governmental activities and 1.34 to 1 for business-type activities. This compares with the prior year's ratios of 2.18 to 1 and 1.63 to 1, respectively. For the City overall, the current ratio is 2.55 to 1 while that same financial indicator was 2.01 to 1 for the fiscal year ended June 30, 2019. These ratios were a slight improvement to the past year's performance.

The City reported positive balances in net position for both governmental and business-type activities. For the fiscal years ended June 30, 2020 and 2019, respectively, net position increased (decreased) by \$(68,179) and \$501,123 for governmental activities and by (\$216,759) and (\$77,731) for business-type activities. The City's overall financial position deteriorated somewhat during the fiscal year ended in June 30, 2020.

Note that approximately 100% and 102% of the governmental activities' net position are tied up in capital assets as of June 30, 2020 and June 30, 2019, respectively. The City uses these capital assets to provide services to its citizens. However, with business-type activities, the City has invested approximately 91% and 92% of its net position on capital assets during the respective fiscal years ended June 30, 2020 and 2019. Capital assets in the business-type activities provide utility services, but they also generate revenues for this fund. For the respective fiscal years ended June 30, 2020 and 2019, 95% and 96% of the City's total net position were invested in capital assets, net of related debt.

CITY OF OAKDALE, LOUISIANA

Management's Discussion and Analysis (Continued)

The following table provides a summary of the City's changes in net position:

	Governmental Activities	Business-Type Activities	2020 Total	% Total	2019 Total	% Total
Revenues:						
Program:						
Charges for services/fines	\$ 247,150	\$ 1,970,868	\$ 2,218,018	47%	\$ 2,283,937	46%
Operating grants	72,000	-	72,000	2%	74,750	1%
Capital grants	-	-	-	0%	319,490	6%
General:						
Sales taxes	1,352,947	-	1,352,947	28%	1,245,927	25%
Other taxes	689,578	-	689,578	15%	732,210	15%
Other revenues	<u>383,325</u>	<u>913</u>	<u>384,238</u>	<u>8%</u>	<u>344,095</u>	<u>7%</u>
Total Revenues	2,745,000	1,971,781	4,716,781	100%	5,000,409	100%
Program expenses:						
General government	1,142,834	-	1,142,834	23%	895,035	20%
Public safety:						
Police	1,135,951	-	1,135,951	23%	1,071,724	24%
Fire	380,642	-	380,642	8%	382,352	9%
Public works	716,352	-	716,352	14%	596,186	14%
Health and recreation	205,946	-	205,946	4%	181,167	4%
Interest	85,285	19,028	104,313	2%	108,727	2%
Utility expenses	<u>-</u>	<u>1,315,681</u>	<u>1,315,681</u>	<u>26%</u>	<u>1,167,330</u>	<u>27%</u>
Total Expenses	3,667,010	1,334,709	5,001,719	100%	4,402,521	100%
Excess (deficiency)	(922,010)	637,072	(284,938)		597,888	
Transfers	<u>853,831</u>	<u>(853,831)</u>	<u>-</u>		<u>-</u>	
Change in net position	(68,179)	(216,759)	(284,938)		597,888	
Beginning net position	<u>3,186,820</u>	<u>5,866,156</u>	<u>9,052,976</u>		<u>8,455,088</u>	
Ending net position	<u>\$ 3,118,641</u>	<u>\$ 5,649,397</u>	<u>\$ 8,768,038</u>		<u>\$ 9,052,976</u>	

GOVERNMENTAL REVENUES

The City is heavily reliant on sales taxes to support governmental operations. Sales taxes equal 49% of the revenues for governmental activities, as compared with 46% in the prior year. Also note that program revenues cover only 9% (11% in the year ended June 30, 2019) of governmental operating expenses. This means that the government's taxpayers and the City's other general revenues fund 91% (89% in the prior fiscal year) of the governmental activities. As a result, the general economy and the local businesses have a major impact on the City's revenue streams.

GOVERNMENTAL FUNCTIONAL EXPENSES

For the fiscal years ended June 30, 2020 and 2019, respectively, police services comprised 23% and 24% of the City's total expenses and 31% and 33% of the total governmental expenses. For the fiscal years ended June 30, 2020 and 2019, total public safety makes up 41% and 45% of the total governmental expenses.

This table presents the cost of each of the City's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the City's taxpayers by each of these functions.

CITY OF OAKDALE, LOUISIANA

Management's Discussion and Analysis (Continued)

Governmental Activities

	2020		2019	
	Total Cost of Services	Net Cost (Benefit) of Services	Total Cost of Services	Net Cost (Benefit) of Services
General government	\$ 1,142,834	\$ 939,981	\$ 895,035	\$ 669,411
Public safety:				
Police	1,135,951	1,034,904	1,071,724	958,126
Fire	380,642	365,392	382,352	364,352
Public works	716,352	716,352	596,186	596,186
Health and recreation	205,946	205,946	181,167	181,167
Interest on long-term debt	85,285	85,285	87,818	87,818
Total	<u>\$ 3,667,010</u>	<u>\$ 3,347,860</u>	<u>\$ 3,214,282</u>	<u>\$ 2,857,060</u>

BUSINESS-TYPE ACTIVITIES

Revenues vs. Costs

The operating revenues for the utility funds were 2% less than 2019 and operating expenses were 13% more than 2019. Within the total business-type activities of the City, these activities reported a \$655,187 operating income compared to an operating income of \$834,135 for the prior year. However, after operating transfers out, the business-type activities reported a deficit of \$216,759, which compares with the overall fund surplus of \$96,765 experienced in the year ended June 30, 2019.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$2,163,357 and \$1,998,567 for the fiscal years ended June 30, 2020 and 2019, respectively. Of the year-end totals for June 30, 2020, \$435,519 was unassigned, indicating availability for continuing City service requirements. Assigned fund balance included \$524,334 committed to public safety, public works and infrastructure. Legally restricted fund balance included \$1,168,862 committed to debt service and capital projects in the year ended June 30, 2020, while nonspendable fund balance was \$34,642.

The total ending fund balances of governmental funds show an increase of \$164,790. This compares with an increase of \$1,291,866 experienced in the prior fiscal year ended June 30, 2019.

MAJOR GOVERNMENTAL FUNDS

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by \$46,114 in the current fiscal year, while in the fiscal year ended June 30, 2019, the fund balance increased by \$376,474. However, the reader needs to remember that the City controls these differences by the amount of resources it transfers in from the City's other funds.

CITY OF OAKDALE, LOUISIANA

Management's Discussion and Analysis (Continued)

The General Fund revenues decreased \$49,395 or 5% less than the prior year reflecting primarily decreases in tax revenues. The General Fund expenditures decreased \$10,880 or 1% less than the prior year. The General Fund's ending fund balance was \$470,161 representing the equivalent of 17% of its annual expenditures and 17% of its annual revenues including other financing sources.

The Sales Tax Fund continues to maintain a moderate fund balance with revenues in 2020 increasing by \$107,024 or 9% more than those earned in the fiscal year ended June 30, 2019, which had been 1% more than those earned in the preceding year. Expenditures consisted completely of transfers to other funds.

The Gaming Fund continues to maintain a moderate fund balance as revenues increasing by \$12,019 or 8% more than those earned in the fiscal year ended June 30, 2019, which had experienced a 6% decrease from the preceding year. Expenditures consisted solely of transfers to other funds.

The Fire Department Fund continues to maintain a negative fund balance with revenues decreasing by \$38,573 or 25% less than those earned in the fiscal year ended June 30, 2019. The expenditures side shows a decrease of \$29,703 or 8% less than the prior fiscal year reflecting primarily decreases in repairs and maintenance.

The Debt Service Fund is used to accumulate monies for the payment of principal and interest on long-term indebtedness and is maintaining a moderate fund balance with revenues increasing by \$28,935 or 19% more than those in the fiscal year ending June 30, 2019. The expenditure side shows an increase of \$98,033 or 59% more than those in the fiscal year ended June 30, 2019. Shortfalls are generally covered by transfers from other funds.

THE PROPRIETARY FUNDS

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term information about financial status.

BUDGETARY HIGHLIGHTS

The General Fund - Both the revenue and expenditure sides of the current year final budget for the General Fund were revised by a \$21,754 decrease and a \$101,867 increase, respectively in relation to the prior year's final budget. The primary change in the General Fund's amended revenue budget relates to increases in miscellaneous income, and the amended expenditure budget reflects increases in general government expenditures. The actual revenues were exceeded by the final budget by \$194,426 or 18% and the actual expenditures exceeded the final budgeted expenditures by \$171,848 or 7%.

The Sales Tax Fund - Budgeted revenues and expenditures in the current year final budget for the Sales Tax Fund were revised by a \$58,952 increase and no change respectively, in relation to the prior year's final budget. The primary change in the Sales Tax Fund's amended revenue budget relates to increases in sales tax revenue. The actual revenues exceeded the final budget revenues by \$13,794 or less than 4% and the actual expenditures equaled final budgeted expenditures of \$0.

The Gaming Fund - Budgeted revenues in the current year final budget for the Gaming Fund increased \$21,000 in relation to the prior year final budget. The primary change in the Gaming Fund amended revenue budget relates to increases in gaming income. The actual revenues exceeded the final budgeted revenues by \$4 or 0% and the actual expenditures equaled the final budget expenditures of \$0.

CITY OF OAKDALE, LOUISIANA

Management's Discussion and Analysis (Continued)

The Fire Department Fund - The revenue and expenditure sides of the current year's final budget for the Fire Department Fund were revised by an increase of \$5,858 and a \$65,680 increase, respectively in relation to the prior year's final budget. The primary change in the Fire Department Fund's amended budget relates to the increase in ad valorem tax income and the increase in capital outlays. The actual revenues were exceeded by the final budgeted revenues by \$46,853 or 29% and the actual expenditures were exceeded by the final budgeted expenditures by \$43,384 or 11%.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The City's investments in capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2020, were \$5,407,864 and \$7,124,281, respectively, while those figures as of June 30, 2019, were \$5,757,041 and \$7,529,737 respectively. The overall decrease was 5% for the City as a whole. A major construction project was underway at the beginning of the year for street improvements. The total contract amounts for construction, engineering, and grant writing assistance on that project amounted to \$1,106,735. The total expended in prior years was \$1,072,075 and the total expended in the current fiscal year was \$34,660. This project was primarily funded by the issuance of \$2,000,000 in general obligation bonds. See Note D for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

	Capital Assets					
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Non-depreciable assets:						
Land	\$ 532,583	\$ 532,583	\$ 70,543	\$ 70,543	\$ 603,126	\$ 603,126
Construction in progress	-	1,072,075	-	-	-	1,072,075
Total non-depreciable	<u>532,583</u>	<u>1,604,658</u>	<u>70,543</u>	<u>70,543</u>	<u>603,126</u>	<u>1,675,201</u>
Depreciable assets:						
Buildings	5,871,852	5,852,272	-	-	5,871,852	5,852,272
Vehicles	1,450,121	1,442,040	-	-	1,450,121	1,442,040
Equipment, furniture and fixtures	1,699,367	1,674,010	-	-	1,699,367	1,674,010
Improvements other than buildings	2,358,728	1,251,993	-	-	2,358,728	1,251,993
Utility systems	-	-	17,659,365	17,651,765	17,659,365	17,651,765
Infrastructure	<u>1,527,400</u>	<u>1,527,400</u>	<u>-</u>	<u>-</u>	<u>1,527,400</u>	<u>1,527,400</u>
Total depreciable assets	12,907,468	11,747,715	17,659,365	17,651,765	30,566,833	29,399,480
Less accumulated depreciation	<u>8,032,187</u>	<u>7,595,332</u>	<u>10,605,627</u>	<u>10,192,571</u>	<u>18,637,814</u>	<u>17,787,903</u>
Book value-depreciable assets	<u>\$ 4,875,281</u>	<u>\$ 4,152,383</u>	<u>\$ 7,053,738</u>	<u>\$ 7,459,194</u>	<u>\$ 11,929,019</u>	<u>\$ 11,611,577</u>
Percentage depreciated	62%	65%	60%	58%	61%	61%
Book value-all assets	<u>\$ 5,407,864</u>	<u>\$ 5,757,041</u>	<u>\$ 7,124,281</u>	<u>\$ 7,529,737</u>	<u>\$ 12,532,145</u>	<u>\$ 13,286,778</u>

CITY OF OAKDALE, LOUISIANA

Management's Discussion and Analysis (Continued)

The depreciable capital assets for governmental activities were 62% and 65% depreciated for the fiscal years ended June 30, 2020 and June 30, 2019, respectively. This comparison indicates that the City is replacing its future governmental assets faster than they are depreciating.

The major asset additions included:

- Street improvement project
- 2 tractors
- Roofs

With the City's business-type activities, 60% of the asset values were depreciated at June 30, 2020 compared to 58% at June 30, 2019. This comparison indicates that the city is replacing its business-type assets at a rate slower than they are depreciating.

The major asset additions included:

- 1 vehicle

Long-term debt

At the end of the fiscal year, the City had total long-term debt outstanding of \$4,228,644. All of this amount is backed by the full faith and credit of the City with debt service funded by sales taxes and sewer fund revenues.

During the year, the City issued \$0 and retired \$382,360 in long-term debt. See Note G for additional information regarding long-term debt.

	Outstanding Borrowings	
	<u>2020</u>	<u>2019</u>
Sewer revenue bonds	\$ 1,958,000	\$ 2,112,000
Revolving loan	114,412	224,412
General obligation bond	1,925,000	2,000,000
Capital lease obligations	205,188	248,279
Accrued leave benefits	<u>26,044</u>	<u>26,313</u>
 Total	 <u>\$ 4,228,644</u>	 <u>\$ 4,611,004</u>

ECONOMIC CONDITIONS AFFECTING THE CITY

The City's primary revenue stream comes from utility charges and sales taxes, which are subject to changes in the economy. Since sales are considered an "elastic" revenue stream, tax collections are higher in a flourishing economy and are lower in a depressed economy.

The current compact with the Coushatta Tribe of Louisiana began in 2001 and automatically renewed in 2007. The gaming revenues to be submitted to the City were scheduled in that compact to be at \$410,000 per year to assist with increased critical services like fire protection, police protection, and construction, maintenance, and repair of municipal infrastructure and housing. Recent gaming payments to the City for the current fiscal year were \$171,014. This represents a decrease of 58% of the funding from the original compact.

CITY OF OAKDALE, LOUISIANA

Management's Discussion and Analysis (Continued)

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the City's Mayor, Gene Paul, P.O. Box 728, Oakdale, LA 71463.

ROYCE T. SCIMEMI, CPA, APAC



CERTIFIED PUBLIC ACCOUNTANT

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INDEPENDENT AUDITORS' REPORT

June 3, 2021

Honorable Gene Paul, Mayor
and the City Council
City of Oakdale, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Oakdale, Louisiana as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Oakdale, Louisiana's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City of Oakdale, Louisiana, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the City of Oakdale, Louisiana's financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated December 31, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension schedules on pages 3 through 12 and 61 through 78 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Oakdale, Louisiana's basic financial statements. The proprietary fund statement of operating expenses by department, the schedule of number of utility customers, the schedule of insurance in force, the schedule of compensation paid to the Mayor and Council Members, and the schedule of compensation, benefits and other payments to chief executive officer are presented on pages 80 through 84 for purposes of additional analysis and are not a required part of the basic financial statements.

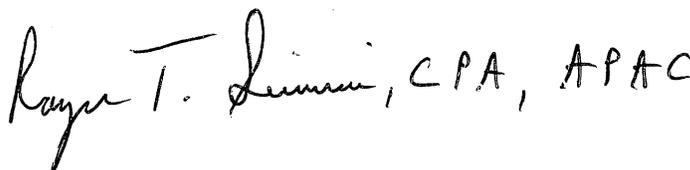
The proprietary fund statement of operating expenses by department, the schedule of compensation paid to the Mayor and Council Members, and the schedule of compensation, benefits and other payments to chief executive officer are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the proprietary fund statement of operating expenses by department, the schedule of compensation paid to the Mayor and Council Members, and the schedule of compensation, benefits and other payments to chief executive officer are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The schedule of number of utility customers and schedule of insurance in force have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2021, on our consideration of the City of Oakdale, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Oakdale, Louisiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Oakdale, Louisiana's internal control over financial reporting and compliance.

Royce T. Scimemi, CPA, APAC



BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

City of Oakdale, Louisiana
Statement of Net Position
June 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
<i>Current Assets:</i>			
Cash and certificates of deposit	\$ 755,431	\$ 63,236	\$ 818,667
Prepaid expenditures	34,642	--	34,642
Accounts receivable	383,313	208,313	591,626
<i>Total Current Assets</i>	<u>1,173,386</u>	<u>271,549</u>	<u>1,444,935</u>
<i>Noncurrent Assets:</i>			
Restricted cash and certificates of deposit	1,097,326	347,848	1,445,174
Land	532,583	70,543	603,126
Capital assets, net	4,875,281	7,053,738	11,929,019
<i>Total Noncurrent Assets</i>	<u>6,505,190</u>	<u>7,472,129</u>	<u>13,977,319</u>
Total Assets	<u>7,678,576</u>	<u>7,743,678</u>	<u>15,422,254</u>
DEFERRED OUTFLOWS OF RESOURCES			
Aggregated deferred outflows	807,165	--	807,165
Total Deferred Outflows of Resources	<u>807,165</u>	<u>--</u>	<u>807,165</u>
LIABILITIES			
<i>Current Liabilities:</i>			
Accounts payable	107,355	31,270	138,625
Accrued interest payable	29,468	3,873	33,341
Sales taxes payable	--	12,517	12,517
Capital leases payable	32,974	--	32,974
Bonds payable	194,412	155,000	349,412
<i>Total Current Liabilities</i>	<u>364,209</u>	<u>202,660</u>	<u>566,869</u>
<i>Noncurrent Liabilities:</i>			
Accrued compensated absences payable	26,044	--	26,044
Customer deposits payable	--	88,621	88,621
Capital leases payable	172,214	--	172,214
Bonds payable	1,845,000	1,803,000	3,648,000
Net pension liability	2,552,592	--	2,552,592
<i>Total Noncurrent Liabilities</i>	<u>4,595,850</u>	<u>1,891,621</u>	<u>6,487,471</u>
Total Liabilities	<u>4,960,059</u>	<u>2,094,281</u>	<u>7,054,340</u>
DEFERRED INFLOWS OF RESOURCES			
Aggregated deferred inflows	407,041	--	407,041
Total Deferred Inflows of Resources	<u>407,041</u>	<u>--</u>	<u>407,041</u>
NET POSITION			
<i>Invested in capital assets, net of related debt</i>	3,133,796	5,162,408	8,296,204
<i>Restricted</i>	1,168,862	259,227	1,428,089
<i>Unrestricted</i>	(1,184,017)	227,762	(956,255)
Total Net Position	<u>\$ 3,118,641</u>	<u>\$ 5,649,397</u>	<u>\$ 8,768,038</u>

City of Oakdale, Louisiana
Statement of Activities
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government							
Governmental Activities:							
General government	\$ 1,142,834	\$ 202,853	\$ --	\$ --	\$ (939,981)	\$ --	\$ (939,981)
Public safety - police	1,135,951	44,297	56,750	--	(1,034,904)	--	(1,034,904)
Health and recreation	205,946	--	--	--	(205,946)	--	(205,946)
Public works	716,352	--	--	--	(716,352)	--	(716,352)
Public safety - fire	380,642	--	15,250	--	(365,392)	--	(365,392)
Interest and fiscal charges	85,285	--	--	--	(85,285)	--	(85,285)
Total Governmental Activities	3,667,010	247,150	72,000	--	(3,347,860)	--	(3,347,860)
Business-Type Activities:							
Water department	575,863	1,019,280	--	--	--	443,417	443,417
Sewer department	739,818	951,588	--	--	--	211,770	211,770
Interest and fiscal charges - sewer	19,028	--	--	--	--	(19,028)	(19,028)
Total Business-Type Activities	1,334,709	1,970,868	--	--	--	636,159	636,159
Total Primary Government	\$ 5,001,719	\$ 2,218,018	\$ 72,000	\$ --	\$ (3,347,860)	\$ 636,159	\$ (2,711,701)
General Revenues and Transfers:							
Revenues							
Taxes:							
Property taxes, levied for general purposes					124,347	--	124,347
Property taxes, levied for fire protection					101,064	--	101,064
Property taxes, levied for debt service					181,915	--	181,915
Sales and use taxes, levied for general purposes					1,352,947	--	1,352,947
Payment in lieu of taxes					22,679	--	22,679
Franchise taxes					250,640	--	250,640
Beer taxes					8,933	--	8,933
Intergovernmental:							
Local					176,671		176,671
Miscellaneous					151,942	--	151,942
Interest income					101	913	1,014
Non-employer pension contributions					54,611	--	54,611
Transfers					853,831	(853,831)	--
Total General Revenues and Transfers					3,279,681	(852,918)	2,426,763
Change in Net Position					(68,179)	(216,759)	(284,938)
<i>Net Position at Beginning of Period</i>					<i>3,186,820</i>	<i>5,866,156</i>	<i>9,052,976</i>
Net Position at End of Period					\$ 3,118,641	\$ 5,649,397	\$ 8,768,038

See accompanying notes.

FUND FINANCIAL STATEMENTS (FFS)

MAJOR FUND DESCRIPTIONS

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Sales Tax Fund

To account for the receipt and expenditure of proceeds of the City's restricted sales and use taxes.

Gaming Fund

To account for the receipt and expenditure of funds in accordance with the compact agreement with the Coushatta Tribe of Louisiana.

Fire Department Fund

To account for the receipt and expenditure of funds utilized in the operations of the Fire Department. Funding is primarily provided by an ad valorem tax and operating transfers from the General and Sales Tax Funds.

Debt Service Fund

Bonded Debt Fund

To account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Project Fund

Street Improvement Fund

To account for financial resources that are used to construct/acquire major, long-lived general capital facilities.

Proprietary Fund

Utility System Enterprise Fund

To account for the provision of water and sewer services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

City of Oakdale, Louisiana
 Balance Sheet
 Governmental Funds
 June 30, 2020

	Special Revenue			Debt Service	Capital Project	Total Governmental Funds	
	General	Sales Tax Fund	Gaming Fund	Fire Department Fund	Bonded Debt Fund		Street Improvement Fund
ASSETS							
Cash and certificates of deposit	\$ 480,436	\$ 148,469	\$ 126,526	\$ --	\$ --	\$ --	\$ 755,431
Prepaid expenditures	34,642	--	--	--	--	--	34,642
Accounts receivable	95,227	242,834	45,252	--	--	--	383,313
Due from other funds	--	--	--	--	71,536	--	71,536
Restricted cash and certificates of deposit	--	--	--	--	399,592	697,734	1,097,326
Total Assets	610,305	391,303	171,778	--	471,128	697,734	2,342,248
DEFERRED OUTFLOWS OF RESOURCES							
Aggregated deferred outflows	--	--	--	--	--	--	--
Total Assets and Deferred Outflows of Resources	\$ 610,305	\$ 391,303	\$ 171,778	\$ --	\$ 471,128	\$ 697,734	\$ 2,342,248
LIABILITIES							
Accounts payable	\$ 99,683	\$ --	\$ --	\$ 7,672	\$ --	\$ --	\$ 107,355
Due to other funds	40,461	--	--	31,075	--	--	71,536
Total Liabilities	140,144	--	--	38,747	--	--	178,891
DEFERRED INFLOWS OF RESOURCES							
Aggregated deferred inflows	--	--	--	--	--	--	--
Total Liabilities and Deferred Inflows of Resources	140,144	--	--	38,747	--	--	178,891
FUND BALANCE							
Nonspendable	34,642	--	--	--	--	--	34,642
Restricted	--	--	--	--	471,128	697,734	1,168,862
Assigned	--	391,303	171,778	(38,747)	--	--	524,334
Unassigned	435,519	--	--	--	--	--	435,519
Total Fund Balance	470,161	391,303	171,778	(38,747)	471,128	697,734	2,163,357
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 610,305	\$ 391,303	\$ 171,778	\$ --	\$ 471,128	\$ 697,734	\$ 2,342,248

See accompanying notes.

City of Oakdale, Louisiana
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2020

Total Fund Balances - Governmental Funds	\$	2,163,357
Accrued interest payable is accrued on Statement of Net Position and expensed on the Statement of Activities. Interest is expensed on a cash basis on the Statement of Revenues, Expenditures, and Changes in Fund Balance.		(29,468)
Compensated absences expensed as paid in governmental fund statements, expensed as incurred in entity-wide statements, and reflected as liability on Statement of Net Position.		(26,044)
Fixed assets are capitalized in the Statement of Net Position and depreciated in the Statement of Activities. These are expensed when acquired in the Statement of Revenues, Expenditures, and Changes in Fund Balance.		5,407,864
Long- term debt reflected on Statement of Net Position not in Governmental Funds Balance Sheet.		(2,244,600)
Pension related changes in net pension liability that is only reported as deferred inflows of resources in the Statement of Net Position.		(407,041)
Pension related changes in net pension liability that is only reported as deferred outflows of resources in the Statement of Net Position.		807,165
Net pension liability reflected on the Statement of Net Position not in Governmental Funds Balance Sheet.		(2,552,592)
Total Net Position - Governmental Activities	\$	<u>3,118,641</u>

See accompanying notes.

City of Oakdale, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2020

	<u>Special Revenue</u>			<u>Debt Service</u>		<u>Capital Project</u>	
	<u>General</u>	<u>Sales Tax Fund</u>	<u>Gaming Fund</u>	<u>Fire Department Fund</u>	<u>Bonded Debt Fund</u>	<u>Street Improvement Fund</u>	<u>Total Governmental Funds</u>
Revenues							
Taxes	\$ 406,599	\$ 1,352,947	\$ --	\$ 101,064	\$ 181,915	\$ --	\$ 2,042,525
License and permits	202,853	--	--	--	--	--	202,853
Intergovernmental	62,407	--	--	15,250	--	--	77,657
Fines and forfeitures	44,297	--	--	--	--	--	44,297
Miscellaneous	151,943	--	--	--	--	--	151,943
Gaming	--	--	171,014	--	--	--	171,014
Interest income	39	14	5	--	43	--	101
Total Revenues	<u>868,138</u>	<u>1,352,961</u>	<u>171,019</u>	<u>116,314</u>	<u>181,958</u>	<u>--</u>	<u>2,690,390</u>
Expenditures							
<i>Current:</i>							
General government	1,035,505	--	--	--	--	1	1,035,506
Public safety - police	1,016,309	--	--	--	--	--	1,016,309
Public safety - fire	--	--	--	318,615	--	--	318,615
Health and recreation	158,655	--	--	--	--	--	158,655
Public works	446,616	--	--	--	--	--	446,616
Capital outlays	53,018	--	--	--	--	34,660	87,678
<i>Debt Service:</i>							
Principal retirement	16,623	--	--	26,469	185,000	--	228,092
Interest and fiscal charges	3,217	--	--	6,159	78,584	--	87,960
Total Expenditures	<u>2,729,943</u>	<u>--</u>	<u>--</u>	<u>351,243</u>	<u>263,584</u>	<u>34,661</u>	<u>3,379,431</u>
Excess of Revenues Over							
<i>(Under) Expenditures</i>	<u>(1,861,805)</u>	<u>1,352,961</u>	<u>171,019</u>	<u>(234,929)</u>	<u>(81,626)</u>	<u>(34,661)</u>	<u>(689,041)</u>
Other Financing Sources (Uses)							
Operating transfers	1,907,919	(1,208,564)	(40,255)	205,060	(13,920)	3,591	853,831
Net Other Financing Sources (Uses)	<u>1,907,919</u>	<u>(1,208,564)</u>	<u>(40,255)</u>	<u>205,060</u>	<u>(13,920)</u>	<u>3,591</u>	<u>853,831</u>
Net Change in Fund Balances	<u>46,114</u>	<u>144,397</u>	<u>130,764</u>	<u>(29,869)</u>	<u>(95,546)</u>	<u>(31,070)</u>	<u>164,790</u>
Fund Balances at Beginning of Period	<u>424,047</u>	<u>246,906</u>	<u>41,014</u>	<u>(8,878)</u>	<u>566,674</u>	<u>728,804</u>	<u>1,998,567</u>
Fund Balances at End of Period	<u>\$ 470,161</u>	<u>\$ 391,303</u>	<u>\$ 171,778</u>	<u>\$ (38,747)</u>	<u>\$ 471,128</u>	<u>\$ 697,734</u>	<u>\$ 2,163,357</u>

See accompanying notes.

City of Oakdale, Louisiana
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balances with Statement of Activities
For the Year Ended June 30, 2020

Total Net Change in Fund Balances - Governmental Funds	\$ 164,790
Fixed assets expensed as capital outlay in governmental fund statements and capitalized as fixed assets in Statement of Net Position.	87,678
Compensated absences expensed as paid in governmental fund statements, expensed as incurred in entity wide statements, and reflected as liability on Statement of Net Position.	269
Principal payments on long-term expensed in governmental fund statements and treated as reductions of outstanding debt in entity wide statements.	228,093
Depreciation expense reflected in entity wide statements and not reflected in governmental fund statements.	(436,855)
Accrued interest expense included in Statement of Activities and expensed as paid in governmental fund statements.	2,675
Contributions to retirement systems by non-employers	54,611
Pension expense is based on employer contributions in the government funds Statement of Revenues, Expenditures, and Changes in Net Position and actuarial calculated expense on the Statement of Activities.	(169,440)
Changes in Net Position - Governmental Activities	\$ <u>(68,179)</u>

See accompanying notes.

City of Oakdale, Louisiana
Statement of Net Position
Proprietary Fund
June 30, 2020 and 2019

Business-Type Activities - Enterprise Fund

	<u>2020</u>	<u>2019</u>
ASSETS		
<i>Current Assets:</i>		
Cash and certificates of deposit	\$ 63,236	\$ 19,142
Accounts receivable	208,313	288,188
Total Current Assets	<u>271,549</u>	<u>307,330</u>
<i>Noncurrent Assets:</i>		
Restricted cash and certificates of deposit	347,848	259,227
Land	70,543	70,543
Capital assets, net	<u>7,053,738</u>	<u>7,459,194</u>
Total Noncurrent Assets	<u>7,472,129</u>	<u>7,788,964</u>
Total Assets	<u>7,743,678</u>	<u>8,096,294</u>
DEFERRED OUTFLOWS OF RESOURCES		
Aggregated deferred outflows	--	--
Total Deferred Outflows of Resources	<u>--</u>	<u>--</u>
LIABILITIES		
<i>Current Liabilities:</i>		
Sales taxes payable	12,517	7,153
Accounts payable	31,270	23,429
Accrued interest payable	3,873	4,178
Bonds payable	<u>155,000</u>	<u>154,000</u>
Total Current Liabilities	202,660	188,760
<i>Noncurrent Liabilities</i>		
Customer deposits payable	88,621	83,378
Bonds payable	<u>1,803,000</u>	<u>1,958,000</u>
Total Noncurrent Liabilities	<u>1,891,621</u>	<u>2,041,378</u>
Total Liabilities	<u>2,094,281</u>	<u>2,230,138</u>
DEFERRED INFLOWS OF RESOURCES		
Aggregated deferred inflows	--	--
Total Deferred Inflows of Resources	<u>--</u>	<u>--</u>
NET POSITION		
Invested in capital assets, net of related debt	5,162,408	5,413,559
Restricted	259,227	175,849
Unrestricted	<u>227,762</u>	<u>276,748</u>
Total Net Position	<u>\$ 5,649,397</u>	<u>\$ 5,866,156</u>

See accompanying notes.

City of Oakdale, Louisiana
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2020 and 2019

	Business-Type Activities - Enterprise Fund	
	2020	2019
Operating Revenues		
Water department revenues	\$ 1,019,280	\$ 1,045,919
Sewer department revenues	951,588	955,546
Total Operating Revenues	1,970,868	2,001,465
Operating Expenses		
Water department expenses	575,863	483,995
Sewer department expenses	739,818	683,335
Total Operating Expenses	1,315,681	1,167,330
Operating Income (Loss)	655,187	834,135
Non-Operating Revenues (Expenses)		
Capital grants	--	319,490
Interest income	913	903
Interest expense - sewer	(19,028)	(20,909)
Net Non-Operating Revenues (Expenses)	(18,115)	299,484
Income Before Contributions and Transfers	637,072	1,133,619
Operating Transfers	(853,831)	(1,036,854)
Change In Net Position	(216,759)	96,765
<i>Net Position at Beginning of Period</i>	<i>5,866,156</i>	<i>5,769,391</i>
Net Position at End of Period	\$ 5,649,397	\$ 5,866,156

See accompanying notes.

CITY OF OAKDALE, LOUISIANA
Statement of Cash Flows -
Proprietary Fund
For the Year Ended June 30, 2020 and 2019

	Business-Type Activities Enterprise Fund	
	2019	2020
Cash flows from operating activities:		
Receipts from customers	\$ 1,970,489	\$ 2,055,986
Payments to suppliers	(732,570)	(621,426)
Payments to employees	(241,679)	(267,994)
Net cash from operating activities	996,240	1,166,566
Cash flows from noncapital financing activities:		
Operating transfers	(991,550)	(853,831)
Net cash used by noncapital financing activities	(991,550)	(853,831)
Cash flows from capital and related financing activities:		
Capital grants	274,187	-
Acquisition of property, plant and equipment	(140,706)	(7,600)
Interest paid on sewer revenue bonds	(21,209)	(19,333)
Principal paid on sewer revenue bonds	(152,000)	(154,000)
Net cash used by capital and related financing activities	(39,728)	(180,933)
Cash flows from investing activities:		
Net proceeds (purchase) of investments	-	-
Interest on investments	903	913
Net cash from investing activities	903	913
Net increase (decrease) in cash and cash equivalents	(34,135)	132,715
Cash and cash equivalents, beginning of period	312,504	278,369
Cash and cash equivalents, end of period	\$ 278,369	\$ 411,084

See accompanying notes.

CITY OF OAKDALE, LOUISIANA
Statement of Cash Flows - Continued
Proprietary Fund
For the Year Ended June 30, 2020 and 2019

	Business-Type Activities Enterprise Fund	
	2019	2020
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 834,135	\$ 655,187
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	387,512	413,056
Changes in current assets and liabilities:		
(Increase) decrease in accounts receivable	(32,691)	79,875
Increase (decrease) in accounts payable	(194,431)	13,205
Increase (decrease) in customer deposits payable	1,715	5,243
Net cash provided (used) by operating activities	\$ 996,240	\$ 1,166,566

See accompanying notes.

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Oakdale, Louisiana (City), was created under the provisions of the Lawrason Act. The purpose of the City is to provide services to its citizens, which include sewer and water utilities, police and fire protection and other services. The City is governed by the Mayor and a board of five elected council members who are compensated. The City is located in Allen Parish, Louisiana and its population is approximately 7,800. There are approximately 70 employees working for the City.

The accompanying financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1986 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

1. Reporting Entity

As the municipal governing authority for reporting purposes, the City is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (municipality), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement No. 14 established criteria for determining which component units should be considered part of the City for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the municipality to impose its will on that organization, and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

As required by accounting principles generally accepted in the United States of America, these financial statements present information on the City of Oakdale, Louisiana (the primary government). By applying the above requirements, the City has no component units.

2. Basis of Presentation

The accompanying basic financial statements of the City have been prepared in conformity with GAAP. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments," issued in June 1999.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the City as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements

For the Year Ended June 30, 2020

The statement of activities presents a comparison between direct expenses and program revenues for each of the functions of the City's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the City, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The City uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain City functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the City are classified into two categories: governmental and proprietary. The emphasis of fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the City or if the total assets, liabilities, revenues, or expenditures of the individual governmental or proprietary fund are at least 10 percent of the corresponding total for all governmental and proprietary funds of that category or type; and total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or proprietary fund are at least 5 percent of the corresponding total for all governmental and proprietary funds combined.

The City reports the following major funds:

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

The Sales Tax Fund is a special revenue fund that is used to account for the receipt and expenditure of proceeds of the City's restricted sales and use taxes.

The Gaming Revenue Fund is a special revenue fund that is used to account for the receipt and expenditure of funds in accordance with the compact agreement with the Coushatta Tribe of Louisiana.

The Fire Department Fund is a special revenue fund that is used to account for the receipt and expenditure of funds utilized in the operations of the Fire Department. Funding is primarily provided by an ad valorem tax and operating transfers from the General and Sales Tax Funds.

The Bonded Debt Fund is a debt service fund that is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

The Street Improvement Fund is a capital projects fund that is used to account for financial resources used to construct/acquire major, long-lived general capital facilities.

The Utility System Enterprise Fund is a proprietary fund that is used to account for water and sewer services provided to citizens. Proprietary funds generally account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The proprietary fund distinguishes operating revenues and expenses from non-operating items. Operating revenues generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary fund include the cost of sales and services, administrative expenses and depreciation on capital assets. All other revenues and expenses are reported as non-operating revenues and expenses.

3. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements
For the Year Ended June 30, 2020

Measurement Focus

On the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balances as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported under the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlays) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. The City applies all applicable FASB pronouncements in accounting and reporting for its proprietary fund.

Allocation of Indirect Expenses

The City reports all direct expenses by function in the statement of activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions, but are reported separately in the statement of activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on long-term debt is considered an indirect expense and is separately reported on the statement of activities.

4. Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general, special revenue, and proprietary funds. All annual appropriations lapse at fiscal year-end. See Notes (1) and (2) to Required Supplementary Information for more details.

Prior to the beginning of each fiscal year, the City Clerk submits a budget to the Mayor and City Council. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The City Council holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated and the revenue estimates can only be changed by an affirmative vote of a majority of the government's council.

The original budget and one amendment during the year are reflected in the budget comparisons.

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements
For the Year Ended June 30, 2020

5. Deposits

Deposits include amounts in demand deposits, interest-bearing demand deposits, and time deposits as well as investments with a maturity date of 90 days or less. State statutes authorize the City to invest in obligations of the U.S. Treasury, U.S. government agencies, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having an office in the State of Louisiana or any other federally insured investment. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana. LAMP generates a local government investment pool.

As of June 30, 2020, the City had deposits (book balances) totaling \$2,263,841. These deposits are stated at cost, which approximates market. Custodial credit risk is the risk that, in the event of bank failure, the City's deposits may not be returned. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2020, the City had \$2,304,390 in deposits (collected bank balances). These deposits are all secured from risk by federal deposit insurance and pledged securities held by the custodial bank in the name of the fiscal bank.

6. Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet.

7. Accounts Receivable

Uncollectible amounts due for ad valorem taxes and other receivables of governmental funds are recognized as bad debts at the time information becomes available which would indicate that the particular receivable is not collectible.

There appears to be concentration of credit risk with regard to general accounts receivable and more specifically accounts receivable for water and sewer user fees in the enterprise fund. The City's ability to collect the amounts due from the users of the City water and sewer system and others (as reflected on the financial statements) may be affected by significant economic fluctuations, natural disaster or other calamity in this one concentrated geographic location.

8. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The City maintains a threshold level of \$1,000 or more for capitalization of asset purchases.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by asset type is as follows:

Buildings and Improvements	40 years
Equipment and furniture	3-20 years
Water system	20-50 years
Sewer system	20-50 years
Vehicles	5 years
Infrastructure	20-50 years

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements For the Year Ended June 30, 2020

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

9. Statement of Cash Flows

For the purpose of the enterprise fund statement of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. The statement reflects ending cash and cash equivalents of \$411,084 which represents unrestricted and restricted amounts of \$63,236 and \$347,848, respectively.

10. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as long-term liabilities. No expenditure is reported for these amounts. Vested or accumulated vacation leave of the proprietary fund is recorded as an expense and liability of that fund as the benefits accrue to employees. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits for police personnel that is estimated will be taken as "terminal leave" prior to retirement.

The City has the following policy relating to vacation and sick leave:

Sick leave and vacation are authorized on January 1 of each year with no unused amounts to be carried forward from previous years. Employees of the City receive 40 hours to 200 hours vacation leave each year, depending on their length of service. Sick leave is earned at the same rate as vacation leave. Upon termination, the employee is entitled to any unused vacation leave.

At June 30, 2020, employees of the City have accumulated \$26,044 in leave privileges, computed in accordance with GASB Statement No. 16.

11. Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debts to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of bonds and capital lease payables.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

12. Equity Classification

In the government-wide statements, equity is classified as net position and displayed in these components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - Consists of all other net position that does not meet either of the above definitions.

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements

For the Year Ended June 30, 2020

In the fund statements, governmental fund equity is classified as fund balance and is further classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used for specific purposes determined by a formal action of the Mayor and Council. They are the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Mayor and Council.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Council's adopted policy, only Council members may assign amounts for specific purposes.
- e. Unassigned – includes fund balances which have not been classified within the above categories.

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the City's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the City's policy is to first apply the expenditures toward restricted fund balance and then to other, less-restrictive classifications (committed and then assigned fund balances) before using unassigned fund balances.

13. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

14. Sales Taxes

Proceeds of the one percent (1%) sales and use tax levied by the City are dedicated to constructing, acquiring, extending, improving, operating and maintaining sewers and sewerage disposal works, waterworks, facilities, streets, alleys, bridges, drains and drainage facilities; public buildings, purchasing and acquiring the necessary land, equipment and furnishings for the aforesaid public works, buildings, improvements and facilities; and for the purpose of paying principal and interest on any bonded or funded indebtedness of the City incurred for any of said purposes.

Proceeds of the three-tenths of one percent (0.3%) sales and use tax levied by the City are dedicated to improving, maintaining, and operating the police and fire departments of the City, and for the purpose of paying the costs of the acquisition of equipment for the department of public works.

15. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

16. Revenues, Expenditures, and Expenses

Program Revenues

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements

For the Year Ended June 30, 2020

Program revenues included in the statement of activities are derived directly from the program itself or from parties outside the City's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the City's general revenues.

General Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent after December 31. The taxes are generally collected in December, January and February of the fiscal year. Sales taxes are considered as "measurable" when in the hands of the sales tax collector and are recognized as revenue at that time. Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

Expenditures/expenses

The City's primary expenditures include salaries, retirement and insurance which are recorded when the liabilities are incurred. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfers are authorized by the City.

17. Environmental Remediation Costs

The City accrues for losses associated with environmental remediation obligations when such losses are probable and reasonably estimable. Accruals for estimated losses from environmental remediation obligations generally are recognized no later than completion of the remedial feasibility study. Such accruals are adjusted as further information develops or circumstances change. Costs of future expenditures for environmental remediation obligations are not discounted to their present value.

18. Subsequent Events

Management has evaluated subsequent events through June 3, 2021, the date the financial statements were issued. In December 2019, a novel strain of coronavirus was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a "Public Health Emergency of International Concern." The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the City's financial condition or results of operations is uncertain. On August 27, 2020 Hurricane Laura made landfall in Southwest Louisiana as a Category 4 hurricane which was followed by Hurricane Delta on October 8, 2020. The full extent of damages to the City's facilities or effects on operations have not been determined.

19. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Police Employees Retirement System (MPERS), the Municipal Employees Retirement System (MERS), the Firefighters' Retirement System (FRS), and the Louisiana State Employees Retirement System (LASERS) and additions to/deductions from MPERS's, MERS's, FRS's, and LASERS's fiduciary net position have been determined on the same basis as they are reported by MPERS, MERS, FRS and LASERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

20. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements
For the Year Ended June 30, 2020

applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

NOTE B - PROPERTY TAXES

For the year ended June 30, 2020, taxes of 22.20 mills were levied on property with assessed valuations totaling \$19,274,090 and were dedicated as follows:

General corporate purposes	6.68 mills with no expiration
Fire protection purposes	5.52 which expires in 2026
Street purposes	10.00 which expires in 2037

Total taxes levied were \$427,885.

Property tax millage rates are adopted in July for the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15th of the current year, and become delinquent after December 31st. Property taxes not paid by the end of February are subject to lien.

NOTE C – RECEIVABLES

Receivables at June 30, 2020, consisted of the following:

General Fund:	
Accrued franchise taxes receivable	\$ 64,755
Payment in lieu of taxes receivable	22,679
Sales taxes receivable	242,834
Local government grant receivable	45,252
Other receivables	7,793
Utility System Enterprise Fund:	
Accounts receivable - customers	<u>208,313</u>
Total	<u>\$ 591,626</u>

Note D – CAPITAL ASSETS

	Balance 06/30/19	Additions	Deletions	Balance 06/30/20
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 532,583	\$ -	\$ -	\$ 532,583
Construction in Progress	1,072,075	34,660	1,106,735	-
Other capital assets:				
Buildings	5,852,272	19,580	-	5,871,852
Vehicles	1,442,040	8,081	-	1,450,121
Equipment, furniture and fixtures	1,674,010	25,357	-	1,699,367
Improvements other than buildings	1,251,993	1,106,735	-	2,358,728
Infrastructure	<u>1,527,400</u>	<u>-</u>	<u>-</u>	<u>1,527,400</u>
Totals	13,352,373	1,194,413	1,106,735	13,440,051
Less accumulated depreciation:				
Buildings	4,364,637	145,695	-	4,510,332
Vehicles	1,115,171	61,971	-	1,177,142
Equipment, furniture and fixtures	1,162,697	102,155	-	1,264,852
Improvements other than buildings	389,620	87,827	-	477,447
Infrastructure	<u>563,207</u>	<u>39,207</u>	<u>-</u>	<u>602,414</u>
Total accumulated depreciation	<u>7,595,332</u>	<u>436,855</u>	<u>-</u>	<u>8,032,187</u>
Governmental Activities Capital assets, net	<u>\$ 5,757,041</u>	<u>\$ 757,558</u>	<u>\$ 1,106,735</u>	<u>\$ 5,407,864</u>

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements
For the Year Ended June 30, 2020

Business-Type Activities:

Capital assets not being depreciated				
Land	\$ 70,543	\$ -	\$ -	\$ 70,543
Other capital assets:				
Water system	4,280,666	7,600	-	4,288,266
Sewer system	<u>13,371,099</u>	<u>-</u>	<u>-</u>	<u>13,371,099</u>
Totals	17,722,308	7,600	-	17,729,908

Less accumulated depreciation:

Water system	2,430,553	108,526	-	2,539,079
Sewer system	<u>7,762,018</u>	<u>304,530</u>	<u>-</u>	<u>8,066,548</u>
Total accumulated depreciation	<u>10,192,571</u>	<u>413,056</u>	<u>-</u>	<u>10,605,627</u>

Business-Type Activities,

Capital assets, net	<u>\$ 7,529,737</u>	<u>\$ (405,456)</u>	<u>\$ -</u>	<u>\$ 7,124,281</u>
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Depreciation expense for the year ended June 30, 2020 was \$436,855 and \$413,056 for the governmental activities and the business-type activities, respectively.

Depreciation expense was charged to governmental activities as follows:

General government	\$ 107,604
Police	50,012
Fire	38,894
Public Works	193,054
Health and recreation	<u>47,291</u>
Total depreciation expense	<u>\$ 436,855</u>

Depreciation expense was charged to business-type activities as follows:

Water	\$ 108,526
Sewer	<u>304,530</u>
Total depreciation expense	<u>\$ 413,056</u>

A major construction project was underway at the beginning of the year for street improvements. The total contract amounts for construction, engineering, and grant writing assistance on that project amounted to \$1,106,735. The total expended in prior years was \$1,072,075 and the total expended in the current fiscal year was \$34,660. This project was completed during the current fiscal year. This project was primarily funded by the issuance of \$2,000,000 in general obligation bonds.

NOTE E - ACCOUNTS PAYABLES

The following is a summary of payables at June 30, 2020:

<u>Class of Payable:</u>	<u>Governmental Activities Funds</u>	<u>Business Activities Funds</u>
Accounts	<u>\$ 107,355</u>	<u>\$ 31,270</u>

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE F - PENSION PLANS

Municipal Police Employees Retirement System of Louisiana (MPERS System)

Plan Description. The Municipal Police Employees Retirement System of Louisiana (an Internal Revenue Code 401(a) system) is a cost-sharing multiple-employer plan administered by a board of trustees. Membership in the System is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, provided he or she does not have to pay social security and providing he or she meets the statutory criteria. The System provides retirement benefits for municipal police officers. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefit provisions are authorized by LRS 11:2211-11:2233 as amended. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Reference should be made to the appropriate statutes for more complete information.

Membership Prior to January 1, 2013:

A member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. A member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age with an actuarially reduced benefit. Benefit rates are 3.33% of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary. Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from 40% to 60% of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives benefits equal to 10% of the member's average final compensation or \$200 per month, whichever is greater.

Membership Commencing on or after January 1, 2013:

Member eligibility for regular retirement, early retirement, disability and survivor benefits are based on Hazardous Duty and Non-Hazardous Duty sub-plans. Under the Hazardous Duty sub-plan, a member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non-Hazardous Duty sub-plan, a member is eligible for regular retirement after he has been a member of the System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub-plans, a member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55. Under the Hazardous and Non-Hazardous Duty sub-plans, the benefit rates are 3% and 2.50%, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary. Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from 25% to 55% of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives 10% of average final compensation or \$200 per month whichever is greater. If a deceased member had less than 10 years of service, the beneficiary will receive a refund of employee contributions only.

Cost-of-Living Adjustments. The Board of Trustees is authorized to provide annual cost-of-living (COLA) adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility. No regular retiree, survivor or beneficiary shall be eligible to receive a COLA until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year. Members who elect early retirement are not eligible for a COLA until they reach regular retirement age.

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Notes to Basic Financial Statements
For the Year Ended June 30, 2020

Deferred Retirement Option Plan. A member is eligible to elect to enter the deferred retirement option plan (DROP) when he is eligible for regular retirement based on the members' sub-plan participation. Upon filing the application for the program, the employee's active membership in the MPERS is terminated. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at the date of application. The duration of participation in the DROP is 36 months or less. If employment is terminated after the three-year period, the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into the MPERS shall resume and upon later termination, the member shall receive as additional retirement benefit based on the additional service. For those eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of the MPERS's investment portfolio as certified by the actuary on an annual basis but will never lose money. For those eligible to enter DROP on or after January 1, 2004, an irrevocable election is made to earn interest based on the MPERS's investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account. If the member elects a money market investment return, the funds are transferred to a government money market account and earn interest at the money market rate.

Initial Benefit Option Plan. In 1999, the State Legislature authorized the MPERS to establish an Initial Benefit Option program which is available to members who are eligible for regular retirement and have not participated in DROP. The Initial Benefit Option program provides both a one-time single sum payment of up to 36 months of regular monthly retirement benefits, plus a reduced monthly retirement benefit for life. Interest is computed on the balance based on same criteria as DROP.

Non-Employer Contributions. The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions of \$20,790 are recognized as revenue, but are not considered special funding situations.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained online from the MPERS website (www.lampers.org) or by writing to the Municipal Police Employees Retirement System of Louisiana, 7722 Office Park Boulevard, Suite 200, Baton Rouge, Louisiana 70809-7601, or by calling (225) 929-7411.

Funding Policy. Plan members are required by state statute to contribute 10% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The required rate is 32.50% of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by state statute. As provided by La. R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City contributions to the System for the years ending June 30, 2020, 2019, and 2018 were \$82,316, \$86,526, and \$89,650, respectively. These amounts are equal to the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the City reported a liability of \$917,131 for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities, actuarially determined. At June 30, 2019 the City's proportion was 0.100987%, which was an increase of 0.01892% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the City recognized pension expense/(benefit) of \$34,330. At June 30, 2020, the City recognized deferred outflows of resources and deferred inflows of resources related to pensions from the following:

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements
For the Year Ended June 30, 2020

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,924	\$ 28,216
Net difference between projected and actual earnings on pension plan investments	59,584	-
Changes of assumptions	51,394	-
Changes in proportion	111,986	230,469
Differences between City contributions and proportionate share of contributions	8,035	11,466
City contributions subsequent to the measurement date	<u>82,316</u>	<u>-</u>
Total	<u>\$ 315,239</u>	<u>\$ 270,151</u>

The \$82,316 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ (38,342)
2022	(69,636)
2023	55,875
2024	14,875
Thereafter	<u>-</u>
Total	<u>\$ (37,228)</u>

Actuarial assumptions. The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal Cost	
Investment Rate of Return	7.125%, net of investment expense	
Expected Remaining Service Lives	4 years	
Inflation rate	2.75%	
Salary increases, including inflation and merit	<u>Years of Service</u>	<u>Salary Growth Rate</u>
	1-2	9.75%
	3-23	4.75%
	24 & Over	4.25%

Mortality RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (set back 1 year for females) for healthy annuitants and beneficiaries.

RP-2000 Disabled Lives Table set back 5 years for males and set back 3 years for females for disabled annuitants.

RP-2000 Employee Table set back 4 years for males and 3 years for females for active members.

Cost-of-Living Adjustments The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present

CITY OF OAKDALE, LOUISIANA

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values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

Mortality rate. The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period July 1, 2009 through June 30, 2014 and review of similar law enforcement mortality. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a set-back of standard tables. The rest of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

The best estimates of the arithmetic nominal rates of return for each major asset class included in the System's target allocation as of June 30, 2019 (the measurement date) are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Equity	48.50%	3.28%
Fixed Income	33.50%	0.80%
Alternative	18.00%	1.06%
Other	<u>0.00%</u>	<u>0.00%</u>
Totals	100.00%	5.14%
Inflation		<u>2.75%</u>
Expected Nominal Return		7.89%

Discount rate. The discount rate used to measure the total pension liability was 7.125% which reflects a decrease of .075% from the prior year discount rate of 7.2%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by the Public Retirement Systems' Actuarial Committee (PRSAC) taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.125% as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.125%) and one percentage point higher (8.125%) than the current rate:

	1% Decrease <u>(6.125%)</u>	Discount Rate <u>(7.125%)</u>	1% Increase <u>(8.125%)</u>
City's proportionate share of the net pension liability	\$1,277,866	\$917,131	\$614,511

Change in Net Pension Liability: The changes in the net pension liability for the year ended June 30, 2019, were recognized in the current reporting period as pension expense except as follows:

Differences between Expected and Actual Experience:

The differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized as pension expense using the straight-line amortization

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Notes to Basic Financial Statements For the Year Ended June 30, 2020

method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in a deferred outflow of resources of \$1,924 and a deferred inflow of resources in the amount of \$28,216 for the year ended June 30, 2020.

Differences between Projected and Actual Investment Earnings:

The differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a deferred outflow of resources in the amount of \$59,584 for the year ended June 30, 2020.

Changes of Assumptions or Other Inputs:

The changes of assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The changes of assumptions or other inputs resulted in a deferred outflows of resources in the amount of \$51,394 for the year ended June 30, 2020.

Change in Proportion:

Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense using a the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. Changes in employer's portion of the beginning net pension liability resulted in a deferred outflow of resources of \$111,986 and a deferred inflow of resources of \$230,469 for the year ended June 30, 2020.

Differences Between City Contributions and Proportionate Share of Contributions:

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. Differences between City contributions and proportionate share of contributions resulted in a deferred outflows of resources in the amount of \$8,035 and a deferred inflow of resources of \$11,466 for the year ended June 30, 2020.

Firefighters' Retirement System of Louisiana (FRS)

Plan Description. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefit provisions are authorized by Louisiana Revised Statutes (R.S.) 11:2251 - 11:2272 as amended. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Reference should be made to the appropriate statutes for more complete information.

Eligibility Requirements. Any person who becomes an employee as defined in R.S. 11:2252 on and after January 1, 1980, shall become a member as a condition of employment. Membership in the System is a condition of employment for any full-time firefighters (or any person in a position as defined in the municipal fire and police civil service system) who earn at least \$375 per month and are employed by any municipality, parish, or fire protection district of the State of Louisiana in addition to employees of the Firefighters' Retirement System. No person who has attained age 50 or over shall become a member of the System unless the person becomes a member by reason of a merger or unless the System received an application for membership before the applicant attained the age of 50. No person who has not attained the age of 18 years shall become a member of the System.

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Notes to Basic Financial Statements

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Any person who has retired from service under any retirement system or pension fund maintained basically for public officers and employees of the state, its agencies or political subdivisions and who is receiving retirement benefits therefrom may become a member of this System, provided the person meets all other requirements for membership. Service credit from the retirement system or pension plan from which the member is retired shall not be used for reciprocal recognition of service with this System, or for any other purpose in order to attain eligibility or increase the amount of service credit in this System.

Retirement Benefits. Employees with 20 or more years of service who have attained age 50, or employees who have 12 years of service who have attained age 55, or 25 years of service at any age are entitled to annual pension benefits equal to 3.333% of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity. If employees terminate before rendering 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to their employer's contributions. Benefits are payable over the employees' lives in the form of a monthly annuity. An employee may elect an unreduced benefit or any of seven options at retirement. See R.S. 11:2256(A) for additional details on retirement benefits.

Disability Benefits. A member who acquires a disability, and who files for disability benefits while in service, and who upon medical examination and certification as provided for in Title 11, is found to have a total disability solely as the result of injuries sustained in the performance of his official duties, or for any cause, provided the member has at least five years of creditable service and provided that the disability was incurred while the member was an active contributing member in active service, shall be entitled to disability benefits under the provisions of R.S. 11:2258(B).

Death Benefits. Benefits shall be payable to the surviving eligible spouse or designated beneficiary of a deceased member as specified in R.S. 11:2256(B) & (C).

Deferred Retirement Option Plan. After completing 20 years of creditable service and attaining the age of 50 years, or 25 years at any age, a member may elect to participate in the deferred retirement option plan (DROP) for up to 36 months. Upon commencement of participation in DROP, employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the member's DROP account. Upon termination of employment, a participant in the program has several options to receive their DROP benefit. A member may (1) elect to roll over all or a portion of their DROP balance into another eligible qualified plan, (2) receive a lump-sum payment from the account, (3) receive single withdrawals at the discretion of the member, (4) receive monthly or annual withdrawals, or (5) receive an annuity based on the DROP account balance. These withdrawals are in addition to his regular monthly benefit. If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to the System. No withdrawals may be made from the DROP account until the participant retires.

Initial Benefit Option Plan. Effective June 16, 1999, members eligible to retire and who do not choose to participate in DROP may elect to receive, at the time of retirement, an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. Such amounts may be withdrawn or remain in the IBO account earning interest at the same rate as a DROP account.

Cost of Living Adjustments (COLAs). Under the provisions of R.S. 11:246 and 11:2260(A)(7), the board of trustees is authorized to grant retired members and widows of members who have retired an annual cost of living increase of up to 3% of their current benefit, and all retired members and widows who are 65 years of age and older a 2% increase in their original benefit. In order for the board to grant either of these increases, the System must meet certain criteria detailed in the statute related to funding status and interest earnings (R.S. 11:243). In lieu of these COLAs, pursuant to R.S. 11:241, the board may also grant an increase in the form of "X x (A+B)," where "X" is any amount up to \$1 per month, and "A" is equal to the number of years of credited service accrued at retirement or at death of the member of retiree, and "B" is equal to the number of years since retirement or since death of the member or retiree to June 30th of the initial year of such increase.

Non-Employer Contributions. According to state statute, the System also receives insurance premium tax funds from the State of Louisiana as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions of \$15,092 are recognized as revenue, but are not considered special funding situations.

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Notes to Basic Financial Statements

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The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained online at the FRS website (www.fret.com) or by writing to the Firefighters' Retirement System of Louisiana, PO Box 94095, Capital Station, Baton Rouge, Louisiana 70804-9095, or by calling (225) 925-4060.

Funding Policy. Plan members are required by state statute to contribute 10% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The required rate is 27.75% of annual covered payroll. City contributions to the System for the years ending June 30, 2020, 2019, and 2018 were \$42,275, \$36,058, and \$33,546, respectively. These amounts are equal to the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the City reported a liability of \$352,539 for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities, actuarially determined. At June 30, 2019 the City's proportion was 0.056299%, which was an increase of 0.003129% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the City recognized pension expense of \$61,921. At June 30, 2020, the City recognized deferred outflows of resources and deferred inflows of resources related to pensions from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 25,430
Net difference between projected and actual earnings on pension plan investments	23,707	-
Changes of assumptions	32,072	26
Changes in proportion	80,532	66,923
Differences between City contributions and proportionate share of contributions	-	6,369
City contributions subsequent to the measurement date	42,275	-
Total	\$ 178,586	\$ 98,748

The \$42,275 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ 48,589
2022	(4,875)
2023	328
2024	(4,202)
2025	(5,879)
2026	3,602
Total	\$ 37,563

Actuarial assumptions. The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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Notes to Basic Financial Statements
For the Year Ended June 30, 2020

Actuarial Cost Method	Entry Age Normal Cost
Investment Rate of Return	7.15%, net of investment expense
Expected Remaining Service Lives	7 years, closed period
Inflation rate	2.75%
Salary increases, including inflation and merit	Varies from 14.75% in 1 st 2 years of service to 4.50% after 25 years, including inflation and merit increases
Cost of Living Adjustments	Only those previously granted

The mortality rate assumption used was set based upon an experience study performed on plan data for the period July 1, 2009 through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. The RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2031 using Scale AA were selected for employee, annuitant, and beneficiary mortality. The RP-2000 Disabled Lives Mortality Table set back five years for males and set back three years for females was selected for disabled annuitants. Setbacks in these tables were used to approximate mortality improvement.

The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation, 2.75%. The resulting long-term expected arithmetic nominal rate of return was 7.94% as of June 30, 2019. Best estimates of arithmetic real rates of return for each major class includes in the System's target asset allocation as of June 30, 2019, are summarized in the following table:

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Equity-U.S.	21.50%	5.98%
Equity-Non-U.S.	17.50%	7.52%
Equity-Global	10.00%	6.59%
Fixed Income	31.00%	2.17%
Alternative-Real Estate	6.00%	4.14%
Alternative-Private Equity	4.00%	10.52%
Multi-Asset Strategy-Global Tactical	5.00%	4.37%
Multi-Asset Strategy-Risk Parity	5.00%	4.67%
Total	<u>100.00%</u>	

Discount rate. The discount rate used to measure the total pension liability was 7.15% which reflects a decrease of .15% from the prior year discount rate of 7.3%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates, and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined rates approved by the Board of Trustees and by the PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.15% as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.15%) and one percentage point higher (8.15%) than the current rate:

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	1% Decrease <u>(6.15%)</u>	Discount Rate <u>(7.15%)</u>	1% Increase <u>(8.15%)</u>
City's proportionate share of the net pension liability	\$510,501	\$352,539	\$219,958

Change in Net Pension Liability: The changes in the net pension liability for the year ended June 30, 2019, were recognized in the current reporting period as pension expense except as follows:

Differences between Expected and Actual Experience:

The differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized as pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in a deferred inflow of resources in the amount of \$25,430 for the year ended June 30, 2020.

Differences between Projected and Actual Investment Earnings:

The differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a deferred outflow of resources in the amount of \$23,707 for the year ended June 30, 2020.

Changes of Assumptions or Other Inputs:

The changes of assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The changes of assumptions or other inputs resulted in a deferred outflow of resources in the amount of \$32,072 and deferred inflow of resources in the amount of \$26 for the year ended June 30, 2020.

Change in Proportion:

Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense using a the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. Changes in the employer's portion of the beginning net pension liability resulted in a deferred outflow of resources of \$80,532 and a deferred inflow of resources of \$66,923 for the year ended June 30, 2020.

Differences Between City Contributions and Proportionate Share of Contributions:

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. Differences between City contributions and proportionate share of contributions resulted in a deferred inflow of resources of \$6,369 for the year ended June 30, 2020.

Municipal Employees Retirement System of Louisiana (MERS System)

Plan Description. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefits provisions. All employees, other than police and firefighters, of the municipality are members of Plan A. The System was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana to provide retirement benefits to employees of all incorporated villages, towns, and cities within the state, which did not have their own retirement system and which elected to become members of the System.

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The System is administered by a Board of Trustees composed of eleven members, three of whom shall be active and contributing members of the System with at least ten years creditable service and who are elected to office in accordance with the Louisiana Election Code, three of whom shall be active and contributing members of the System with at least ten years creditable service and who are not elected officials; one of whom shall be president of the Louisiana Municipal Association who shall serve as an ex-officio member during his tenure; one of whom shall be the Chairman of the Senate Retirement Committee; and one of whom shall be the Chairman of the House Retirement Committee of the Legislature of Louisiana; the commissioner of administration, who shall be a nonvoting member; and the State Treasurer, who shall be a nonvoting member.

The System is the administrator of a cost-sharing multiple-employer defined benefit pension plan. The System was established and provided for by R.S.11:1731 of the Louisiana Revised Statutes (LRS).

Act 569 of 1968 enacted by the Legislature of the State of Louisiana provides an optional method for municipalities to cancel Social Security and come under supplementary benefits in the MERS, effective on and after June 30, 1970.

Effective October 1, 1978, under Act 788, the "regular plan" and the "supplemental plan" were replaced, and are now known as Plan "A" and Plan "B." Plan A combines the original plan and the supplemental plan for those municipalities participating in both plans, while Plan B participates in only the original plan.

Eligibility Requirements. Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five hours per week. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in the System with exceptions as outlined in the statutes.

Any person eligible for membership whose first employment making him eligible for membership in the System occurred on or after January 1, 2013 shall become a member of the MERS Plan A Tier 2 or MERS Plan B Tier 2 of the System as a condition of employment.

Retirement Benefits. Benefit provisions are authorized by LRS 11:1756- 11:1785, as amended. The following brief description of the plan and its benefits is provided for general information purposes only. Reference should be made to the appropriate statutes for more complete information.

Any member of Plan A Tier 1 who commenced participation in the System prior to January 1, 2013 can retire providing he meets one of the following criteria:

1. Any age with twenty-five (25) or more years of creditable service.
2. Age 60 with a minimum of ten (10) years of creditable service.
3. Any age with five (5) years of creditable service eligible for disability benefits.
4. Survivor's benefits require five (5) or more years creditable service with legal spouse at least last 12 months before death - 40% at age 60 or minimum of 20% immediately (actuarially calculated).
5. Any age with 20 years of creditable service, exclusive of military service, with an actuarially reduced early benefit.

Generally, the monthly amount of the retirement allowance for any member of Plan A shall consist of an amount equal to three percent (3%) of the member's monthly average final compensation multiplied by his years of creditable service. Final average compensation is the average monthly earnings during the highest sixty (60) consecutive months, or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. An additional regular retirement benefit can be received for any city marshal or deputy city marshal.

Any member of Plan A Tier 2 can retire providing he meets one of the following requirements.

1. Age 67 with seven (7) years of creditable service.
2. Age 62 with ten (10) years of creditable service.
3. Age 55 with thirty (30) years of creditable service.
4. Any age with twenty-five (25) years of creditable service with an actuarially reduced early benefit.
5. Survivor's benefits require five or more years of creditable service with legal spouse at least last 12 months before death - 40% at age 60 or minimum of 20% immediately (actuarially calculated).

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For the Year Ended June 30, 2020

Survivor Benefits. Upon death of any member of Plan A with five (5) or more years of creditable service, not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children as outlined in the statutes. Any member of Plan A who is eligible for normal retirement at time of death and who leaves a surviving spouse will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits. The surviving spouse of any member of Plan A who had not withdrawn their accumulated contributions and had at least twenty (20) years of service credit at time of death, shall receive benefits for as long as he/she lives as outlined in the statutes.

DROP Benefits. In lieu of terminating employment and accepting a service retirement allowance, any member of Plan A or B who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund. Interest is earned when the member has completed DROP participation. Interest earnings are based upon the actual rate of return on the investments identified as DROP funds for the period. In addition, no cost-of-living increases are payable to participants until employment which made them eligible to become members of the System has been terminated for at least one full year.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the board of trustees. If a participant dies during participation in the DROP, a lump sum equal to the balance in his account shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the DROP fund cease and the person resumes active contributing membership in the System.

Disability Benefits. For Plan A, a member shall be eligible to retire and receive a disability benefit if he has at least five years of creditable service, is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of (1) an amount equal to three (3) percent of his final average compensation multiplied by his years of creditable service, but not less than forty-five (45) percent of his final average compensation, or (2) an amount equal to what the member's normal retirement benefit would be based on the member's final average compensation but assuming the member remained in continuous service until his earliest normal retirement age using those retirement benefit computation factors which would be applicable to the member's normal retirement.

Cost of Living Increases. The System is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows the System to grant additional cost of living increases to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

Deferred Benefits. Plan A provide for deferred benefits for members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable. Benefits are based on statutes in effect at time of withdrawal.

Non-Employer Contributions. According to state statute, the System also receives one-fourth (1/4) of 1% of ad valorem taxes collected within the respective parishes except for Orleans. Tax monies are apportioned between Plan A and Plan B in proportion to salaries of plan participants. The System also receives revenue sharing funds each year as appropriated by the Legislature. These additional sources of income are used as additional employer contributions and considered support from non-employer contributing entities, but are not considered special funding situations. The non-employer contribution of \$18,729 are recognized as revenue.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained online from the MERS website (www.mersla.com) or by writing to the Municipal Employees Retirement System of Louisiana, 7937 Oak Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements
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Funding Policy. Under Plan A, members are required by state statute to contribute 9.50% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The required rate is 27.75% of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by state statute. As provided by La. R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City contributions to the System for the years ending June 30, 2020, 2019, and 2018 were \$138,756, \$136,148, and \$127,207, respectively. These amounts are equal to the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the City reported a liability of \$1,219,601 for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities, actuarially determined. At June 30, 2019 the City's proportion was 0.291864%, which was an increase of 0.000463% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the City recognized pension expense/(benefit) of \$74,115. At June 30, 2020, the City recognized deferred outflows of resources and deferred inflows of resources related to pensions from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 29,758
Net difference between projected and actual earnings on pension plan investments	120,958	-
Changes of assumptions	30,820	-
Changes in proportion	11,560	-
Differences between City contributions and proportionate share of contributions	-	6,155
City contributions subsequent to the measurement date	<u>138,756</u>	<u>-</u>
Total	<u>\$ 302,094</u>	<u>\$ 35,913</u>

The \$138,756 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2021	\$	75,314
2022		26,511
2023		15,447
2024		<u>10,153</u>
Total		<u>\$ 127,425</u>

Actuarial assumptions. The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal Cost
Investment Rate of Return	7.00%, net of investment expense, including inflation
Expected Remaining Service Lives	3 years

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Inflation rate	2.70%
Projected salary increases	1 to 4 years of service 6.4% More than 4 years of service 4.5%
Annuitant and beneficiary mortality	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
Employee mortality	PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
Disabled lives mortality	PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale

Discount Rate

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimated ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Public Equity	50.00%	2.15%
Public Fixed Income	35.00%	1.51%
Alternatives	<u>15.00%</u>	<u>0.64%</u>
Totals	100.00%	4.3%
Inflation		<u>2.7%</u>
Expected Arithmetic Nominal Return		<u>7.0%</u>

The discount rate used to measure the total pension liability was 7% which reflects a decrease of .275% from the prior year discount rate of 7.275%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00% as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) and one percentage point higher (8.00%) than the current rate:

	1% Decrease <u>(6.00%)</u>	Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
City's proportionate share of the net pension liability	\$1,590,141	\$1,219,601	\$906,320

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For the Year Ended June 30, 2020

Change in Net Pension Liability: The changes in the net pension liability for the year ended June 30, 2019, were recognized in the current reporting period as pension expense except as follows:

Differences between Expected and Actual Experience:

The differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized as pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in a deferred inflow of resources in the amount of \$29,758 for the year ended June 30, 2020.

Differences between Projected and Actual Investment Earnings:

The differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a deferred outflow of resources in the amount of \$120,958 for the year ended June 30, 2020.

Changes of Assumptions or Other Inputs:

The changes of assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The changes of assumptions or other inputs resulted in a deferred outflow of resources in the amount of \$30,820 for the year ended June 30, 2020.

Changes in Proportion:

Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense using a the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. Changes in the employer's portion of the beginning net pension liability resulted in a deferred outflow of resources of \$11,560 for the year ended June 30, 2020.

Differences Between City Contributions and Proportionate Share of Contributions:

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. Differences between City contributions and proportionate share of contributions resulted in a deferred inflow of resources of \$6,155 for the year ended June 30, 2020.

Louisiana State Employees Retirement System (LASERS)

The City Court Judge is eligible to participate in the Louisiana State Employees Retirement System (LASERS). This system is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Pertinent information relative to the plan follows:

Plan Description. The System was established for the purpose of providing retirement allowances and other benefits as stated under the provisions of La. R.S. 11:401, as amended, for eligible state officers, employees and their beneficiaries. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

The following is a description of the plan and its benefits and is provided for general information purposes only. Reference should be made to the appropriate statutes for more complete information.

Retirement Benefits. The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. Rank and file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing

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For the Year Ended June 30, 2020

30 years of creditable service and at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members. Regular members and judges under the new plan are eligible to retire at age 62 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive a 2.5% accrual rate, and judges a 3.5% accrual rate, with the extra 1.0% accrual rate based on all years of service as a judge.

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification.

Deferred Benefits. The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

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For the Year Ended June 30, 2020

Initial Benefit Option. Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

Survivor's Benefits: Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased regular member hired before January 1, 2011 who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child. The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, 2 years being earned immediately prior to death, and active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

Disability Benefits. Generally, active members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age. Upon reaching retirement age, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees. For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation or 100% of final average compensation if the injury was the result of an intentional act of violence.

Permanent Benefit Increases/Cost-of-Living Adjustments. As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs), that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

The System issues an annual publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the System. That report may be obtained online at the LASERS website (www.lasersonline.org) by writing to the Louisiana State Employees Retirement System, PO Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0600.

Funding Policy. Plan members are required by state statute to contribute 11.5% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The required rate is 42.4% of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by state statute. As provided by La. R.S. 11:401, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City contributions to the System for the years ending June 30, 2020, 2019, and 2018 were \$7,667, \$7,251, and \$7,251, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the City reported a liability of \$63,321 for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities, actuarially determined. At June 30, 2019 the City's proportion was 0.000874%, which was a decrease of 0.000039% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the City recognized pension expense/(benefit) of (\$927). At June 30, 2020, the City recognized deferred outflows of resources and deferred inflows of resources related to pensions from the following:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 389	\$ 132
Net difference between projected and actual earnings on pension plan investments	2,188	-
Changes of assumptions	543	-
Changes in proportion	-	2,097
Differences between City contributions and proportionate share of contributions	459	-
City contributions subsequent to the measurement date	<u>7,667</u>	<u>-</u>
Total	<u>\$ 11,246</u>	<u>\$ 2,229</u>

The \$7,667 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ 564
2022	(637)
2023	602
2023	821
Thereafter	<u>-</u>
Total	<u>\$ 1,350</u>

Actuarial assumptions. The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.60%, net of investment expense
Expected Remaining Service Lives	2 years
Inflation rate	2.50%
Mortality	Non-disabled members -Mortality rates for 2019 were based on the RP-2014 Healthy Mortality Table with mortality improvement projected using the MP-2018 Mortality Improvement Scale applied on a fully generational basis. Disabled members -Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members for 2019.
Salary increases, including inflation and merit	2.8% to 5.3% for Judges

Cost of Living Adjustments: The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

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For the Year Ended June 30, 2020

The investment rate of return used in the actuarial valuation for funding purposes was 8.00%, recognizing an additional 40 basis points for gain-sharing. The net return available to fund regular plan benefits is 7.60%, which is reasonably close to the 7.60% discount rate.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 9.00% for 2019. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2019 are summarized in the following table:

Expected Long Term Real Rates of Return	
Asset Class	2019
Cash	0.24%
Domestic Equity	4.83%
International Equity	5.83%
Domestic Fixed Income	2.79%
International Fixed Income	4.49%
Alternative Investments	8.32%
Risk Parity	5.06%
Total Fund	6.09%

Discount rate. The discount rate used to measure the total pension liability was 7.60% which reflects a decrease of .05% from the prior year discount rate of 7.65%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the same contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.60% as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.60%) and one percentage point higher (8.60%) than the current rate:

	1% Decrease <u>(6.60%)</u>	Discount Rate <u>(7.60%)</u>	1% Increase <u>(8.60%)</u>
City's proportionate share of the net pension liability	\$79,919	\$63,321	\$49,301

Change in Net Pension Liability: The changes in the net pension liability for the year ended June 30, 2019, were recognized in the current reporting period as pension expense except as follows:

Differences between Expected and Actual Experience:

The differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized as pension expense using the straight-line amortization

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method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in a deferred outflow of resources in the amount of \$389 and a deferred inflow of resources in the amount of \$132 for the year ended June 30, 2020.

Differences between Projected and Actual Investment Earnings:

The differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a deferred outflow of resources in the amount of \$2,188 for the year ended June 30, 2020.

Changes of Assumptions or Other Inputs:

The changes of assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The changes of assumptions or other inputs resulted in a deferred outflow of resources in the amount of \$543 for the year ended June 30, 2020.

Change in Proportion:

Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense using a the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. Changes in the employer's portion of the beginning net pension liability resulted in a deferred inflow of resources of \$2,097 for the year ended June 30, 2020.

Differences Between City Contributions and Proportionate Share of Contributions:

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense/(benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. Differences between City contributions and proportion share of contributions resulted in a deferred outflow of resources of \$459 for the year ended June 30, 2020.

NOTE G - LONG-TERM DEBT

The following is a summary of bonds, certificates of indebtedness, capital leases, and other long-term debts owed by the City for the year ended June 30, 2020:

	June 30, 2019	Additions	Retirements	June 30, 2020
Sewer revenue bond	\$2,112,000	\$ -	\$ 154,000	\$1,958,000
Revolving loan	224,412	-	110,000	114,412
General obligation bonds	2,000,000	-	75,000	1,925,000
Capital lease obligations	248,279	-	43,091	205,188
Accrued leave benefits	26,313	-	269	26,044
Total Long-Term Debt	\$4,611,004	\$ -	\$ 382,360	\$4,228,644

Sewer Revenue Bonds Payable-Proprietary:

Sewer revenue bond, Series 2009 dated 09/03/09, original issue not to exceed \$2,500,000, amended as Series 2010 not to exceed \$3,146,000, bearing interest at 0.95% per annum, and shall mature over a period not to exceed 22 years. This bond is secured by and payable from income and revenues derived by the sewer operating system after paying

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements For the Year Ended June 30, 2020

reasonable and necessary expenses of operation. \$ 1,958,000

Revolving Loan-Governmental:

Revolving loan payable to the Louisiana Department of Environmental Quality (LDEQ) dated 11/01/1999. Payment terms include interest at a rate of 3.45% plus an annual administrative fee of one-half of one percent (0.5%) of the outstanding principal balance of the loan. The loan is secured by a borrower bond issued to the Louisiana Department of Health and Hospitals in the amount of \$1,500,000. The bond is secured by a pledge of the City's 1% sale tax. 114,412

General Obligation Bonds Payable-Governmental:

General obligation bonds payable to Sabine State Bank and Trust Company dated 07/17/2018. Payment terms include interest at rates ranging from 1.25% to 4.5%. Original issue of \$2,000,000, retired semiannually in various installment amounts. Final maturity 03/01/2038. 1,925,000

Capital Lease Obligations Payable-Governmental:

Capital lease payable, dated 07/02/14, original issue of \$241,071 retired annually on September 15 in installments of \$20,917 with interest at 3.5%, final maturity 09/15/2028, secured by fire-fighting equipment. 159,005

Capital lease payable, dated 12/11/18, original issue of \$241,071 retired annually on September 15 in installments of \$70,401 (2 at \$35,200) with interest at 6%, final maturity 12/11/2022, secured by 2 police vehicles. 46,183

Accrued Leave Benefits Payable 26,044

Subtotal – Governmental 2,270,644

Total \$ 4,228,644

The annual requirements to amortize all debt outstanding as of June 30, 2020, excluding accrued leave benefits payable, including interest payments of \$944,262 are as follows:

Year Ending June 30,	<u>Governmental Activities</u>		<u>Proprietary Activities</u>	
	<u>Totals</u>		<u>Totals</u>	
	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Principal Payments</u>	<u>Interest Payments</u>
2021	\$ 227,386	\$ 81,084	\$ 155,000	\$ 17,865
2022	114,601	73,739	156,000	16,388
2023	111,219	70,800	157,000	14,901
2024	101,999	68,400	160,000	13,394
2025	107,597	65,890	161,000	11,870
2026-2030	576,798	271,994	827,000	36,048
2031-2035	600,000	162,325	342,000	3,259
2036-2038	405,000	36,305	-	-
Totals	<u>\$ 2,244,600</u>	<u>\$ 830,537</u>	<u>\$ 1,958,000</u>	<u>\$ 113,725</u>

In accordance with La. R.S. 39:562, the City is legally restricted from incurring long-term bonded debt (payable solely from ad valorem taxes) in excess of 35% of the assessed value of taxable property in the City. At June 30, 2020 the statutory limit is \$6,745,932.

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements
For the Year Ended June 30, 2020

NOTE H – RESTRICTED ASSETS

Restricted assets at June 30, 2020, consisted of the following:

	Cash and Cash Equivalents		
Street improvement account - governmental	\$ 697,734		
Debt service accounts - governmental	399,592		
Customers' deposit account - proprietary	88,621		
Debt service account - proprietary	259,227		
Total restricted assets	<u>\$1,445,174</u>		
Requirements consisted of the following at June 30, 2020:	<u>Actual</u>	<u>Required</u>	<u>Over (Under)</u>
Street improvement account	\$ 697,734	\$ 697,734	\$ -
Street bond sinking	114,014	147,311	(33,297)
Sewer bond sinking accounts	54,987	130,000	(75,013)
Sewer revenue bond reserve account	230,591	172,744	57,847
Sewer revenue bond depreciation and contingency account	259,227	150,000	109,227
Customer deposits – water and sewer	88,621	88,621	-
Total restricted assets	<u>\$1,445,174</u>	<u>\$1,386,410</u>	<u>\$ 58,764</u>

NOTE I - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE J - TRIBAL STATE COMPACT COMPLIANCE

The operating transfers out of the gaming fund to the other funds were used entirely for reimbursement of police salaries of \$40,255.

NOTE K - ON-BEHALF PAYMENTS FOR SALARIES

The State of Louisiana pays a portion of the salaries of the City's police officers and firefighters. These on-behalf payments have been recorded in the accompanying financial statements in accordance with GASB Statement 24 as intergovernmental revenues and expenditures as follows:

Intergovernmental Revenues:	
State-Police	\$ 50,750
State-Firefighters	15,250
Total	<u>\$ 66,000</u>
Expenditures:	
Salaries-Police	\$ 50,750
Salaries-Firefighters	15,250
Total	<u>\$ 66,000</u>

NOTE L – OPERATING TRANSFERS

Operating transfers consisted of the following for the fiscal year ended June 30, 2020:

CITY OF OAKDALE, LOUISIANA

Notes to Basic Financial Statements

For the Year Ended June 30, 2020

	<u>Transfers In</u>	<u>Transfers Out</u>
Major funds:		
General fund	\$3,886,081	\$1,978,162
Sales tax fund	85,000	1,293,564
Gaming fund	-	40,255
Fire department fund	476,837	271,777
Bonded debt fund	395,398	409,318
Utility fund	1,890,305	2,744,136
Street improvement fund	<u>3,591</u>	<u>-</u>
	<u>\$6,737,212</u>	<u>\$6,737,212</u>

Operating transfers are used to move revenues from the fund that is required by statute or budget to collect them to the fund that is required or allowed by statute or budget to expend them. Most of the operating transfers are from the proprietary and sales tax funds into the general fund. The gaming fund transfers are normally used to cover a portion of police salaries and sometimes police capital outlays.

NOTE M – DEFICIT FUND BALANCE

As of June 30, 2020 the following individual fund had a deficit fund balance in the amount shown:

Fire Department Fund	<u>\$ (38,747)</u>
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The City anticipates future operating profits to be used to eliminate the deficit fund balance.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF OAKDALE, LOUISIANA
 General Fund
 Budgetary Comparison Schedule
 Year Ended June 30, 2020
 With Comparative Actual Amounts for Year Ended June 30, 2019

	2020		Actual	Variance Favorable (Unfavorable)	2019 Actual
	Budget				
	Original	Final			
REVENUES					
Taxes:					
Ad valorem	\$ 131,431	\$ 157,000	\$ 124,347	\$ (32,653)	\$ 129,695
Public utility franchise	301,416	275,000	250,640	(24,360)	282,306
Housing authority - in lieu of taxes	22,000	22,000	22,679	679	21,765
Beer tax	10,292	8,784	8,933	149	8,565
Total taxes	<u>465,139</u>	<u>462,784</u>	<u>406,599</u>	<u>(56,185)</u>	<u>442,331</u>
Licenses and permits	<u>234,996</u>	<u>231,000</u>	<u>206,583</u>	<u>(24,417)</u>	<u>225,624</u>
Intergovernmental:					
State of Louisiana -					
State grant	98,000	99,280	56,750	(42,530)	56,750
Street maintenance	9,450	9,450	-	(9,450)	9,450
Local grant	-	-	5,657	5,657	7,920
Total intergovernmental	<u>107,450</u>	<u>108,730</u>	<u>62,407</u>	<u>(46,323)</u>	<u>74,120</u>
Fines and forfeitures:					
Court fines	60,000	25,000	26,465	1,465	44,095
Penalties	8,200	18,000	17,832	(168)	12,753
Total fines and forfeitures	<u>68,200</u>	<u>43,000</u>	<u>44,297</u>	<u>1,297</u>	<u>56,848</u>
Miscellaneous:					
Interest	48	50	39	(11)	14
Rental income	50,000	40,000	45,562	5,562	66,935
Miscellaneous	72,000	177,000	102,651	(74,349)	96,965
Total miscellaneous	<u>122,048</u>	<u>217,050</u>	<u>148,252</u>	<u>(68,798)</u>	<u>163,914</u>
Total revenues	<u>\$ 997,833</u>	<u>\$ 1,062,564</u>	<u>\$ 868,138</u>	<u>\$ (194,426)</u>	<u>\$ 962,837</u>

See accompanying notes.

CITY OF OAKDALE, LOUISIANA
 General Fund
 Budgetary Comparison Schedule - Continued
 Year Ended June 30, 2020
 With Comparative Actual Amounts for Year Ended June 30, 2019

	2020		Actual	Variance Favorable (Unfavorable)	2019 Actual
	Budget				
	Original	Final			
EXPENDITURES					
General government:					
Legislative -					
Salaries	\$ 46,200	\$ 46,200	\$ 45,447	\$ 753	\$ 45,100
Employee health insurance	6,525	13,050	13,045	5	10,623
Payroll taxes	3,575	3,575	3,450	125	3,450
Travel and meetings	<u>3,000</u>	<u>3,000</u>	<u>76</u>	<u>2,924</u>	<u>394</u>
Total legislative	<u>59,300</u>	<u>65,825</u>	<u>62,018</u>	<u>3,807</u>	<u>59,567</u>
Judicial -					
Salaries	97,871	105,125	105,858	(733)	97,444
Retirement	44,950	49,000	35,052	13,948	34,471
Employee health insurance	-	-	13,247	(13,247)	13,324
Operating and maintenance	12,179	7,400	7,954	(554)	11,281
Payroll taxes	-	-	<u>4,093</u>	<u>(4,093)</u>	<u>1,927</u>
Total judicial	<u>155,000</u>	<u>161,525</u>	<u>166,204</u>	<u>(4,679)</u>	<u>158,447</u>
Executive -					
Salaries	45,000	45,000	45,346	(346)	45,000
Retirement	8,888	11,138	13,017	(1,879)	10,901
Employee health insurance	6,852	5,349	3,738	1,611	3,248
Payroll taxes	-	-	653	(653)	653
Travel	<u>3,957</u>	<u>4,181</u>	<u>674</u>	<u>3,507</u>	<u>2,106</u>
Total executive	<u>64,697</u>	<u>65,668</u>	<u>63,428</u>	<u>2,240</u>	<u>61,908</u>
Legal -					
Salaries	27,000	27,000	27,450	(450)	27,000
District attorney	18,000	18,000	18,275	(275)	18,275
Payroll taxes	<u>2,100</u>	<u>2,065</u>	<u>2,066</u>	<u>(1)</u>	<u>2,066</u>
Total legal	<u>47,100</u>	<u>47,065</u>	<u>47,791</u>	<u>(726)</u>	<u>47,341</u>
Financial administration -					
Salaries	185,000	189,000	174,154	14,846	191,507
Retirement	36,500	36,500	38,143	(1,643)	35,966
Employee health insurance	26,000	26,000	35,953	(9,953)	32,314
Payroll taxes	4,500	4,500	5,224	(724)	4,920
Office and operating supplies	36,000	42,000	31,580	10,420	40,519
Repairs and maintenance	5,000	5,000	6,873	(1,873)	2,248
Professional services	50,000	55,000	50,100	4,900	51,571
Telephone	9,000	9,000	2,603	6,397	8,717
Travel and meetings	2,000	2,000	275	1,725	5,975
Printing and advertising	15,000	15,000	5,879	9,121	14,201
Utilities	15,000	15,000	14,463	537	12,609
Insurance	60,000	80,000	60,423	19,577	63,159
Miscellaneous	5,000	5,000	247,042	(242,042)	3,916
Rental property	2,600	2,600	220	2,380	260

See accompanying notes.

CITY OF OAKDALE, LOUISIANA
General Fund
Budgetary Comparison Schedule - Continued
Year Ended June 30, 2020
With Comparative Actual Amounts for Year Ended June 30, 2019

	2020		Actual	Variance Favorable (Unfavorable)	2019 Actual
	Budget				
	Original	Final			
Gas, oil, tires, and batteries	5,000	5,000	5,156	(156)	4,032
Tax assessor fees	6,202	6,500	6,086	414	6,144
LMA convention	3,850	4,000	-	4,000	-
Computer maintenance agreement	11,000	11,000	2,997	8,003	8,338
Damage expenses	1,000	1,000	-	1,000	-
Dues and subscriptions	3,300	4,000	8,893	(4,893)	3,315
Subtotal	<u>481,952</u>	<u>518,100</u>	696,064	(177,964)	489,711
Capital outlays	-	12,970	27,661	(14,691)	19,620
Total financial admin.	<u>481,952</u>	<u>531,070</u>	<u>723,725</u>	<u>(192,655)</u>	<u>509,331</u>
Total general government	<u>808,049</u>	<u>871,153</u>	<u>1,063,166</u>	<u>(192,013)</u>	<u>836,594</u>
Public Safety - Police					
Salaries	623,817	623,817	635,195	(11,378)	671,341
Retirement	110,857	110,857	89,051	21,806	105,710
Employee health insurance	76,325	76,325	58,759	17,566	68,902
Payroll taxes	21,372	21,372	26,295	(4,923)	28,911
Office and operating supplies	16,967	16,967	15,706	1,261	18,855
Repairs and maintenance	5,000	5,000	17,004	(12,004)	5,732
Telephone	14,000	14,000	5,422	8,578	3,329
Utilities	21,675	21,675	15,937	5,738	5,550
Insurance	89,212	89,212	96,372	(7,160)	67,690
Uniform expense	5,000	5,000	2,790	2,210	7,098
Personnel training	5,000	5,000	3,028	1,972	8,230
Care of prisoners	2,500	2,500	588	1,912	1,588
Gas, oil, tires, and batteries	36,302	36,302	37,758	(1,456)	76,593
Miscellaneous	-	-	12,404	(12,404)	5,429
Subtotal	<u>1,028,027</u>	<u>1,028,027</u>	1,016,309	11,718	1,074,958
Capital outlays	-	-	-	-	102,175
Debt service					
Principal retirement	15,923	15,923	16,623	(700)	7,594
Interest	<u>3,262</u>	<u>3,262</u>	<u>3,217</u>	<u>45</u>	<u>2,326</u>
Total public safety	<u>1,047,212</u>	<u>1,047,212</u>	<u>1,036,149</u>	<u>11,063</u>	<u>1,187,053</u>

See accompanying notes.

CITY OF OAKDALE, LOUISIANA
General Fund
Budgetary Comparison Schedule - Continued
Year Ended June 30, 2020
With Comparative Actual Amounts for Year Ended June 30, 2019

	2020		Actual	Variance Favorable (Unfavorable)	2019 Actual
	Budget				
	Original	Final			
Health and Recreation -					
Salaries	60,000	62,000	63,220	(1,220)	42,593
Retirement	-	4,000	4,122	(122)	175
Employee health insurance	-	503	503	-	-
Payroll taxes	4,374	4,358	3,987	371	3,361
Office and operating supplies	5,000	5,000	4,485	515	6,137
Repairs and maintenance	6,300	6,300	16,455	(10,155)	4,719
Utilities	22,865	25,365	36,519	(11,154)	40,790
Insurance	8,000	5,591	9,592	(4,001)	5,166
Coroner	5,000	9,500	1,725	7,775	11,895
Gas, oil, tires, and batteries	2,300	2,300	776	1,524	365
Civic center	-	30,000	7,906	22,094	5,628
Christmas lighting	5,000	1,550	1,015	535	658
Miscellaneous	<u>2,500</u>	<u>12,500</u>	<u>8,350</u>	<u>4,150</u>	<u>11,508</u>
Subtotal	121,339	168,967	158,655	10,312	132,995
Capital outlays	-	-	-	-	-
Total health and recreation	<u>121,339</u>	<u>168,967</u>	<u>158,655</u>	<u>10,312</u>	<u>132,995</u>
Public Works -					
Salaries	170,000	170,000	187,075	(17,075)	151,780
Retirement	29,000	30,000	12,516	17,484	17,727
Employee health insurance	34,500	40,000	13,612	26,388	24,725
Payroll taxes	8,000	8,645	11,282	(2,637)	8,356
Office and operating supplies	7,500	12,500	4,901	7,599	4,887
Repairs and maintenance	37,000	37,000	79,707	(42,707)	55,749
Utilities	99,500	101,500	79,670	21,830	123,781
Insurance	21,000	21,118	28,383	(7,265)	14,183
Miscellaneous	4,850	15,000	5,925	9,075	5,605
Gas, oil, tires, and batteries	<u>18,000</u>	<u>18,000</u>	<u>23,545</u>	<u>(5,545)</u>	<u>26,843</u>
Subtotal	429,350	453,763	446,616	7,147	433,636
Capital outlays	-	17,000	25,357	(8,357)	37,798
Total public works	<u>429,350</u>	<u>470,763</u>	<u>471,973</u>	<u>(1,210)</u>	<u>471,434</u>
Total expenditures	<u>\$ 2,405,950</u>	<u>\$ 2,558,095</u>	<u>\$ 2,729,943</u>	<u>\$ (171,848)</u>	<u>\$ 2,628,076</u>

See accompanying notes.

CITY OF OAKDALE, LOUISIANA
Special Revenue Fund
Sales Tax Fund
Budgetary Comparison Schedule
Year Ended June 30, 2020
With Comparative Actual Amounts for Year Ended June 30, 2019

	2020			Variance Favorable (Unfavorable)	2019 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 1,250,509	\$ 1,307,308	\$ 1,380,545	\$ 73,237	\$ 1,273,223
Less: collection fees	(25,010)	(23,644)	(27,598)	(3,954)	(27,296)
Miscellaneous	11	76	14	(62)	10
Total revenues	<u>1,225,510</u>	<u>1,283,740</u>	<u>1,352,961</u>	<u>69,221</u>	<u>1,245,937</u>
Expenditures:					
General government -					
Total expenditures	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	<u>1,225,510</u>	<u>1,283,740</u>	<u>1,352,961</u>	<u>69,221</u>	<u>1,245,937</u>
Other financing sources (uses):					
Operating transfers	<u>(1,156,407)</u>	<u>(1,153,137)</u>	<u>(1,208,564)</u>	<u>(55,427)</u>	<u>(1,320,038)</u>
Total other financing (uses)	<u>(1,156,407)</u>	<u>(1,153,137)</u>	<u>(1,208,564)</u>	<u>(55,427)</u>	<u>(1,320,038)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	69,103	130,603	144,397	13,794	(74,101)
Fund balance, beginning	<u>246,906</u>	<u>246,906</u>	<u>246,906</u>	-	<u>321,007</u>
Fund balance, ending	<u>\$ 316,009</u>	<u>\$ 377,509</u>	<u>\$ 391,303</u>	<u>\$ 13,794</u>	<u>\$ 246,906</u>

See accompanying notes.

CITY OF OAKDALE, LOUISIANA
Special Revenue Fund
Gaming Revenue Fund
Budgetary Comparison Schedule
Year Ended June 30, 2020
With Comparative Actual Amounts for Year Ended June 30, 2019

	2020			Variance Favorable (Unfavorable)	2019 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Gaming	\$ 148,220	\$ 171,000	\$ 171,014	\$ 14	\$ 158,998
Interest income	<u>15</u>	<u>15</u>	<u>5</u>	<u>(10)</u>	<u>2</u>
Total revenues	<u>148,235</u>	<u>171,015</u>	<u>171,019</u>	<u>4</u>	<u>159,000</u>
Expenditures:					
General government	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	148,235	171,015	171,019	4	159,000
Other financing sources (uses):					
Operating transfers	<u>(160,024)</u>	<u>(170,015)</u>	<u>(40,255)</u>	<u>129,760</u>	<u>(158,244)</u>
Total other financing sources (uses)	<u>(160,024)</u>	<u>(170,015)</u>	<u>(40,255)</u>	<u>129,760</u>	<u>(158,244)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(11,789)	1,000	130,764	129,764	756
Fund balance, beginning	<u>41,014</u>	<u>41,014</u>	<u>41,014</u>	<u>-</u>	<u>40,258</u>
Fund balance, ending	<u>\$ 29,225</u>	<u>\$ 42,014</u>	<u>\$ 171,778</u>	<u>\$ 129,764</u>	<u>\$ 41,014</u>

See accompanying notes.

CITY OF OAKDALE, LOUISIANA
Special Revenue Fund
Fire Department Fund
Budgetary Comparison Schedule
Year Ended June 30, 2020
With Comparative Actual Amounts for Year Ended June 30, 2019

	2020			Variance Favorable (Unfavorable)	2019 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes -					
Ad valorem taxes	\$ 104,353	\$ 132,140	\$ 101,064	\$ (31,076)	\$ 105,620
Fire insurance tax	30,950	31,027	-	(31,027)	31,265
Interest income	-	-	-	-	2
Intergovernmental - state	-	-	15,250	15,250	18,000
Total revenues	<u>135,303</u>	<u>163,167</u>	<u>116,314</u>	<u>(46,853)</u>	<u>154,887</u>
Expenditures:					
Current					
Public safety -					
Salaries	152,320	169,000	187,499	(18,499)	171,742
Fringe benefits	65,380	65,380	71,674	(6,294)	65,271
Office and operating supplies	8,000	8,000	8,800	(800)	8,079
Repairs and maintenance	15,000	15,000	1,001	13,999	40,098
Telephone and utilities	10,000	11,000	9,416	1,584	11,824
Insurance	26,530	26,530	28,447	(1,917)	27,515
Gas, oil, tires, and batteries	10,000	10,000	4,609	5,391	5,974
Miscellaneous	2,000	2,000	1,428	572	175
Uniforms	2,300	2,300	5,741	(3,441)	598
Training	-	-	-	-	708
Capital outlays	-	49,000	-	49,000	4,629
Debt service -					
Principal retirement	31,353	31,353	26,469	4,884	36,598
Interest	5,064	5,064	6,159	(1,095)	7,735
Total expenditures	<u>327,947</u>	<u>394,627</u>	<u>351,243</u>	<u>43,384</u>	<u>380,946</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(192,644)</u>	<u>(231,460)</u>	<u>(234,929)</u>	<u>(3,469)</u>	<u>(226,059)</u>
Other financing sources:					
Operating transfers	174,900	130,192	205,060	74,868	218,790
Total other financing sources	<u>174,900</u>	<u>130,192</u>	<u>205,060</u>	<u>74,868</u>	<u>218,790</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(17,744)	(101,268)	(29,869)	71,399	(7,269)
Fund balance, beginning	(8,878)	(8,878)	(8,878)	-	(1,609)
Fund balance, ending	<u>\$ (26,622)</u>	<u>\$ (110,146)</u>	<u>\$ (38,747)</u>	<u>\$ 71,399</u>	<u>\$ (8,878)</u>

See accompanying notes.

CITY OF OAKDALE, LOUISIANA
 General Fund
 Schedule of City's Proportionate Share of
 Net Pension Liability
 Municipal Police Employee Retirement System (MPERS)

Last 10 Fiscal Years

*Fiscal Year Ended June 30:	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
City's proportion of the net pension liability (asset)	.100987%	.082063%	.136121%	.147320%	.122289%	.136625%	.144874%	Unavailable	Unavailable	Unavailable
City's proportionate share of the net pension liability (asset)	\$ 917,131	\$ 693,766	\$1,188,394	\$1,380,803	\$958,006	\$854,737	\$1,157,316	Unavailable	Unavailable	Unavailable
City's covered-employee payroll	\$ 268,297	\$ 291,545	\$412,690	\$373,969	\$394,627	\$387,367	\$491,570	Unavailable	Unavailable	Unavailable
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	342%	238%	288%	369%	243%	221%	235%	Unavailable	Unavailable	Unavailable
Plan fiduciary net position as a percentage of the total pension liability	71.01%	71.89%	70.1%	66.0%	70.7%	75.1%	66.7%	Unavailable	Unavailable	Unavailable

*Amounts presented were determined as of the measurement date.

CITY OF OAKDALE, LOUISIANA
 General Fund
 Schedule of City's Proportionate Share of
 Net Pension Liability
 Municipal Employee Retirement System (MERS) – Plan A
 Last 10 Fiscal Years

*Fiscal Year Ended June 30:	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
City's proportion of the net pension liability (asset)	.291864%	.291401%	.282155%	.304422%	.355219%	.355441%	.492511%	Unavailable	Unavailable	Unavailable
City's proportionate share of the net pension liability (asset)	\$ 1,219,601	\$ 1,206,598	\$1,180,373	\$1,247,738	\$1,268,898	\$912,220	\$1,526,494	Unavailable	Unavailable	Unavailable
City's covered-employee payroll	\$ 523,646	\$ 513,968	\$508,133	\$541,947	\$596,083	\$612,943	\$800,106	Unavailable	Unavailable	Unavailable
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	233%	235%	232%	230%	213%	149%	191%	Unavailable	Unavailable	Unavailable
Plan fiduciary net position as a percentage of the total pension liability	64.7%	63.9%	63.5%	63.3%	68.7%	76.9%	67.97%	Unavailable	Unavailable	Unavailable

*Amounts presented were determined as of the measurement date.

CITY OF OAKDALE, LOUISIANA
 General Fund
 Schedule of City's Proportionate Share of
 Net Pension Liability
 Firefighters' Retirement System (FRS)

Last 10 Fiscal Years

*Fiscal Year Ended June 30:	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
City's proportion of the net pension liability (asset)	.056299%	.05317%	.065821%	.072197%	.067254%	.058989%	Unavailable	Unavailable	Unavailable	Unavailable
City's proportionate share of the net pension liability (asset)	\$ 352,539	\$ 305,838	\$377,276	\$472,234	\$362,977	\$262,496	Unavailable	Unavailable	Unavailable	Unavailable
City's covered-employee payroll	\$ 136,067	\$ 126,588	\$153,682	\$162,787	\$136,935	\$132,173	Unavailable	Unavailable	Unavailable	Unavailable
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	259%	242%	245%	290%	265%	199%	Unavailable	Unavailable	Unavailable	Unavailable
Plan fiduciary net position as a percentage of the total pension liability	74.0%	65.6%	63.5%	63.3%	68.7%	76.9%	Unavailable	Unavailable	Unavailable	Unavailable

*Amounts presented were determined as of the measurement date.

CITY OF OAKDALE, LOUISIANA
 General Fund
 Schedule of City's Proportionate Share of
 Net Pension Liability
 Louisiana State Employee Retirement System (LASERS)

Last 10 Fiscal Years

*Fiscal Year Ended June 30:	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
City's proportion of the net pension liability (asset)	.000874%	.000913%	.000947%	.00094%	.00105%	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
City's proportionate share of the net pension liability (asset)	\$ 63,321	\$62,266	\$66,658	\$73,971	\$71,484	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
City's covered-employee payroll	\$18,083	\$18,083	\$17,388	\$16,692	\$17,388	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	350%	344%	383%	443%	411%	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Plan fiduciary net position as a percentage of the total pension liability	62.9%	64.3%	62.5%	57.7%	62.7%	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable

*Amounts presented were determined as of the measurement date.

CITY OF OAKDALE, LOUISIANA
 General Fund
 Schedule of City's Contributions

Municipal Police Employee Retirement System (MPERS)

Last 10 Fiscal Years

*Fiscal Year Ended June 30:	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$82,316	\$86,526	\$89,650	\$131,029	\$110,321	\$ 124,308	\$ 113,358	\$ 152,504	\$ 122,731	Unavailable
Contributions in relation to the contractually required contribution	<u>(82,316)</u>	<u>(86,526)</u>	<u>(89,650)</u>	<u>(131,029)</u>	<u>(110,321)</u>	<u>(124,308)</u>	<u>(113,358)</u>	<u>(152,504)</u>	<u>(122,731)</u>	Unavailable
Contribution deficiency (excess)	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	Unavailable
City's covered-employee payroll	\$ 253,279	\$268,297	\$291,545	\$412,690	\$373,969	\$394,627	\$387,367	\$491,570	Unavailable	Unavailable
Contribution as a percentage of cover-employee payroll	32.50%	32.25%	30.75%	31.75%	29.5%	31.5%	29.3%	31.1%	Unavailable	Unavailable

*Amounts presented were determined as of the end of the fiscal year.

CITY OF OAKDALE, LOUISIANA
General Fund
Schedule of City's Contributions

Municipal Employee Retirement System (MERS) – Plan A

Last 10 Fiscal Years

*Fiscal Year Ended June 30:	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 138,756	\$136,148	\$127,207	\$115,600	\$107,035	\$117,726	\$117,359	\$136,012	\$120,815	Unavailable
Contributions in relation to the contractually required contribution	<u>(138,756)</u>	<u>(136,148)</u>	<u>(127,207)</u>	<u>(115,600)</u>	<u>(107,035)</u>	<u>(117,726)</u>	<u>(117,359)</u>	<u>(136,012)</u>	<u>(120,815)</u>	Unavailable
Contribution deficiency (excess)	<u>\$ _____</u>	Unavailable	Unavailable							
City's covered-employee payroll	\$ 500,020	\$523,646	\$513,968	\$508,133	\$541,947	\$596,083	\$612,943	\$800,106	Unavailable	Unavailable
Contribution as a percentage of cover-employee payroll	27.75%	26.0%	24.75%	22.75%	19.75%	19.75%	19.15%	17.0%	Unavailable	Unavailable

*Amounts presented were determined as of the end of the fiscal year.

CITY OF OAKDALE, LOUISIANA
General Fund
Schedule of City's Contributions

Firefighters' Retirement System (FRS)

Last 10 Fiscal Years

*Fiscal Year Ended June 30:	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 42,275	\$ 36,058	\$ 37,339	\$ 38,805	\$ 44,360	\$ 40,054	Unavailable	Unavailable	Unavailable	Unavailable
Contributions in relation to the contractually required contribution	<u>(42,275)</u>	<u>(36,058)</u>	<u>(37,339)</u>	<u>(38,805)</u>	<u>(44,360)</u>	<u>(40,054)</u>	Unavailable	Unavailable	Unavailable	Unavailable
Contribution deficiency (excess)	<u>\$ _____</u>	Unavailable	Unavailable	Unavailable						
City's covered-employee payroll	\$ 152,342	\$ 136,067	\$126,588	\$153,682	\$162,787	\$136,935	\$132,173	Unavailable	Unavailable	Unavailable
Contribution as a percentage of cover-employee payroll	27.75%	26.5%	29.5%	25.3%	27.3%	29.5%	Unavailable	Unavailable	Unavailable	Unavailable

*Amounts presented were determined as of the end of the fiscal year.

CITY OF OAKDALE, LOUISIANA
General Fund
Schedule of City's Contributions

Louisiana State Employee Retirement System (LASERS)

Last 10 Fiscal Years

*Fiscal Year Ended June 30:	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 7,667	\$7,251	\$7,251	\$6,607	6,360	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Contributions in relation to the contractually required contribution	<u>(7,667)</u>	<u>(7,251)</u>	<u>(7,251)</u>	<u>(6,607)</u>	<u>(6,360)</u>	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Contribution deficiency (excess)	<u>\$ _____</u>	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable				
City's covered-employee payroll	\$ 18,083	\$18,083	\$18,083	\$17,388	\$16,692	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Contribution as a percentage of cover-employee payroll	42.4%	40.1%	40.1%	38.0%	38.1%	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable

*Amounts presented were determined as of the end of the fiscal year.

CITY OF OAKDALE, LOUISIANA
Reporting on Fraud and Misappropriations

For the Year June 30, 2020

#	ELEMENT OF FINDING	RESPONSE
1	A general statement describing the fraud or misappropriation that occurred.	The City Clerk used ACH transactions to transfer cash to 3 personal bank accounts.
2	A description of the funds or assets that were the subject of the fraud or misappropriation (ex., utility receipts, petty cash, computer equipment).	Cash in the bank accounts were the subject of the possible misappropriation.
3	The amount of funds or approximate value of assets involved.	\$248,563.58 in funds were possibly misappropriated in the audited fiscal year and \$109,461.98 subsequently.
4	The department or office in which the fraud or misappropriation occurred.	The City Clerk is in the financial administration department.
5	The period of time over which the fraud or misappropriation occurred.	The analyzed possible misappropriation occurred from July 1, 2019 through March 11, 2021.
6	The title/agency affiliation of the person who committed or is believed to have committed the act of fraud or misappropriation.	City Clerk.
7	The name of the person who committed or is believed to have committed the act of fraud or misappropriation, if formal charges have been brought against the person and/or the matter has been adjudicated.	Melissa Schaefer. No formal charges have been filed and no adjudication in progress as she is deceased.
8	Is the person who committed or is believed to have committed the act of fraud still employed by the agency?	No.
9	If the person who committed or is believed to have committed the act of fraud is still employed by the agency, do they have access to assets that may be subject to fraud or misappropriation?	N/A
10	Has the agency notified the appropriate law enforcement body about the fraud or misappropriation?	Yes.

CITY OF OAKDALE, LOUISIANA
Reporting on Fraud and Misappropriations

For the Year June 30, 2020

11	What is the status of the investigation at the date of the auditor's/accountant's report?	The investigation is believed to be ongoing.
12	If the investigation is complete and the person believed to have committed the act of fraud or misappropriation has been identified, has the agency filed charges against that person?	The investigation is believed to be ongoing and no criminal charges have been filed as the subject is deceased.
13	What is the status of any related adjudication at the date of the auditor's/accountant's report?	No adjudication in progress because the subject is deceased.
14	Has restitution been made or has an insurance claim been filed?	There has been no restitution received as of yet but fidelity bond insurance claims were filed in the amount of \$35,000 and \$50,000.
15	Has the agency notified the Louisiana Legislative Auditor and the District Attorney in writing, as required by Louisiana Revised Statute 24:523 (Applicable to local governments only)	The City has complied with LRA 24:523 by submitting the required written notifications timely.
16	Did the agency's internal controls allow the detection of the fraud or misappropriation in a timely manner?	No.
17	If the answer to the last question is "no," describe the control deficiency/significant deficiency/material weakness that allowed the fraud or misappropriation to occur and not be detected in a timely manner.	The two electronic devices that allow people to initiate and approve ACH transactions were both being held by the City Clerk allowing her to transfer money and insert her own descriptions of postings on the bank statements
18	Management's plan to ensure that the fraud or misappropriation does not occur in the future	The electronic devices will be held by two different people in the future. The Mayor will be receiving reports directly from the bank detailing the amounts and recipients on all ACH transfers.

CITY OF OAKDALE, LOUISIANA
General Fund

Notes to Required Supplementary Information
for the Year Ended June 30, 2020

(1) Budget and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. The City Clerk prepares a proposed budget and presents it to the Mayor and Council prior to ninety days before the beginning of each fiscal year.
- b. After the proposed budget is presented to the Mayor and Council, the Mayor publishes the proposed budget and notifies the public that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- c. A public hearing is held by the Mayor and Council on the proposed budget at least ten days after publication of the call for the hearing.
- d. Any changes in the proposed annual operating budget require a majority vote of the Mayor and Council.
- e. No later than the last regular meeting of the fiscal year, the Mayor and Council adopt the annual operating budget for the ensuing fiscal year.
- f. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- g. Budget appropriations lapse at year-end.

(2) Excess of Expenditures Over Appropriations

Formal budgetary integration is employed as a management control device during the year, and encumbrance accounting is not used by the City. Budgeted amounts included in the accompanying financial statements include the original and final adopted budget amounts. The budgets for the general fund and each special revenue fund were amended once during the year.

(3) Pension Information

The schedule of the City's proportionate share of the net pension liability and the schedule of the City's pension contributions are intended to show information for 10 years. Additional years will be displayed as they become available.

OTHER SUPPLEMENTARY INFORMATION

CITY OF OAKDALE, LOUISIANA
Utility System Enterprise Fund
Statement of Operating Expenses by Department
Years Ended June 30, 2020 and 2019

	2019	2020
Water department:		
Salaries	\$ 82,771	\$ 116,207
Fringe benefits	19,288	35,175
Supplies	13,559	59,682
Repairs and maintenance	43,044	37,734
Auto and truck expenses	8,915	11,895
Utilities	187,960	186,268
Insurance	15,683	17,631
Other	4,420	2,745
Depreciation	<u>108,355</u>	<u>108,526</u>
Total water department	483,995	575,863
Sewer department:		
Salaries	105,654	82,596
Fringe benefits	33,966	34,016
Supplies	82,585	93,151
Repairs and maintenance	45,487	68,511
Auto and truck expenses	4,720	6,554
Utilities	117,395	134,146
Insurance	7,563	12,531
Other	6,808	3,783
Depreciation	<u>276,799</u>	<u>304,530</u>
Total sewer department	<u>680,977</u>	<u>739,818</u>
Total operating expenses	<u>\$1,164,972</u>	<u>\$1,315,681</u>

CITY OF OAKDALE, LOUISIANA
 Utility System Enterprise Fund
 Schedule of Number of Utility Customers
 (Unaudited)
 June 30, 2020

	Number of Customers Water and Sewer
Metered or estimated:	
July, 2019	2011
August, 2019	2011
September, 2019	1995
October, 2019	1987
November, 2019	1999
December, 2019	2004
January, 2020	2000
February, 2020	2002
March, 2020	1997
April, 2020	2004
May, 2020	2011
June, 2020	1996

CITY OF OAKDALE, LOUISIANA
Schedule of Insurance in Force
(Unaudited)
June 30, 2020

<u>Description of Coverage</u>	<u>Coverage Amounts</u>
Workmen's Compensation:	
Employer's liability - bodily injury by disease per accident	\$ 100,000
- bodily injury by disease policy limit	500,000
- bodily injury by accident per employee	100,000
Surety Bonds:	
City clerk	35,000
Other clerks	50,000
General liability:	
City-	
Bodily injury/property damage	500,000
Aggregate	500,000
Police-	
Personal injury/property damage	500,000
Aggregate	500,000
Public officials' error and omissions	500,000
Automobile	500,000
Fire, extended coverage, blanket policy:	
Buildings	5,328,700
Contents	971,685
Comprehensive liability and collision:	
Fire equipment	1,000,000

CITY OF OAKDALE, LOUISIANA
Schedule of Compensation Paid to Mayor and Council Members
Year Ended June 30, 2020

Gene Paul - Mayor	\$ 45,000
George Ashy	10,200
Ralph Stapleton	9,700
Frederick Douglas	8,400
Ervin Willis	8,400
Cassandra Allison	<u>8,400</u>
 Total Compensation Paid to Mayor and Council Members	 <u>\$ 90,100</u>

CITY OF OAKDALE, LOUISIANA
Schedule of Compensation, Benefits and Other Payments to
Chief Executive Officer
For The Year Ended June 30, 2020

Chief Executive Officer: Gene Paul, Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$45,000
Benefits-insurance	2,181
Benefits-retirement	12,457
Benefits-cell phone	1,179
Car allowance	-0-
Vehicle provided by government	-0-
Per diem	-0-
Reimbursements	2,105
Travel	-0-
Registration fees	550
Conference travel	124
Continuing professional education fees	-0-
Housing	-0-
Unvouchered expenses	-0-
Special meals	31

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Member
Society of Louisiana
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

June 3, 2021

Honorable Gene Paul, Mayor
and the City Council
City of Oakdale, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Oakdale, Louisiana, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Oakdale, Louisiana's basic financial statements and have issued our report thereon dated June 3, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Oakdale, Louisiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Oakdale, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Oakdale, Louisiana's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or to detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as Items 2020-1 I/C, 2020-3 I/C, and 2020-4 I/C that we consider to be significant deficiencies.

Honorable Gene Paul, Mayor
and the City Council
City of Oakdale, Louisiana
June 3, 2021
Page 2

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the City of Oakdale, Louisiana's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as Items 2020-2 C and 2020-5 C.

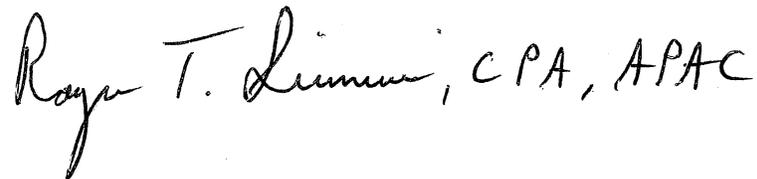
City of Oakdale, Louisiana's Response to Findings

The City of Oakdale, Louisiana's response to the findings identified in our audit is described in the accompanying management's corrective action plan for the current year audit findings and responses. The City of Oakdale, Louisiana's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor of the State of Louisiana as a public document.

Royce T. Scimemi, CPA, APAC

A handwritten signature in black ink that reads "Royce T. Scimemi, CPA, APAC". The signature is written in a cursive style with a large, stylized initial 'R'.

CITY OF OAKDALE, LOUISIANA
 Schedule of Findings and Responses
 Year Ended June 30, 2020

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes X no
- Control deficiencies(s) identified that are not considered to be material weakness(es)? X yes ___ none reported
- Noncompliance material to financial statements noted? ___ yes X no

Findings – Financial Statement Audit

Finding #2020-1 I/C:

Misappropriation of Funds

- Criteria: Adequate and effective internal control systems require timely detection of fraud and misappropriation. A former employee may have fraudulently transferred funds from the City's bank account into her personal bank accounts.
- Cause: Inadequate internal controls.
- Effect: The City suffered significant loss of resources.
- Recommendation: Procedures should be implemented to ensure no loss of resources by misappropriation.
- Response: See Corrective Action Plan

Finding #2020-2 C:

Local Governmental Budget Act Compliance

- Criteria: The general fund's budgeted revenues exceeded actual revenues by 5% or more. The general fund's actual expenditures exceeded budgeted expenditures by 5% or more. The fire department fund's budgeted revenues exceeded actual revenues by 5% or more. This was a prior year finding.
- Cause: Miscellaneous income shortfall was not budgeted in the general fund revenues. Miscellaneous expenditures for misappropriation of funds was not budgeted in the general fund expenditures. Ad valorem tax shortfall was not budgeted in the fire department fund.
- Effect: Possible violation of the Louisiana Local Governmental Budget Act.
- Recommendation: Closely monitor departmental budgets and annualize interim expenditures in calculating original and amended budgets.
- Response: See Corrective Action Plan

CITY OF OAKDALE, LOUISIANA
Schedule of Findings and Responses-Continued
Year Ended June 30, 2020

Finding #2020-3 I/C:

Inadequate Inappropriate Control Procedure for Time and Attendance Records in the Police Department

Criteria: During the fiscal year, no time and attendance records were kept detailing the arrival and departure times of police employees for payroll purposes. Each of the numerous police payroll records reviewed reflected an even number of hours worked based on the expected number of work hours scheduled. When requested, police staff could not provide any stamped time cards for any police employees for the fiscal year. This puts all police department employees on the honor system with respect to the number of hours worked and makes it impossible for an immediate supervisor to appropriately monitor hours worked by subordinate employees. This was a prior year finding.

Cause: There may have been inappropriate reliance upon Louisiana Attorney General Opinion 12-0195 which interprets the Lawrason Act to prevent the Mayor and Council from requiring the police department to use time clocks and cards in certain instances. The reason cited in the opinion was to allow the Chief of Police to exercise his inherent authority as an elected official in the administration of the day-to-day police department operations. There was an apparent concern over inherent security issues (such as release of confidential information like the true identity of the officer) with under-cover personnel. This confidentiality issue is not normally applicable to most of the department's uniformed police officers.

Effect: Possible violation of Article 7, Section 14 of the Louisiana Constitution and possible liability to employees for time worked and not paid.

Recommendation: Police management should at the very least require employees to record work arrival and departure times for payroll purposes. This would allow supervisors to appropriately calculate and monitor payroll records so that employees are paid only for hours worked. There are special procedures utilized by many police departments to compensate under-cover officers appropriately.

Response: See Corrective Action Plan

Finding #2020-4 I/C:

Incomplete Accounting and Inaccurate/Untimely Prepared Bank Reconciliations

Criteria: Incomplete accounting and inaccurate/untimely prepared bank reconciliations. This was a prior year finding.

Cause: Prioritization of work load by staff.

Effect: Difficulties in preparing accurate and timely management financial statements.

Recommendation: The City should timely and accurately complete its monthly accounting and related bank reconciliations during the month following the month being reconciled.

Response: See Corrective Action Plan

CITY OF OAKDALE, LOUISIANA
Schedule of Findings and Responses -Continued
Year Ended June 30, 2020

Finding #2020-5 C:

Article 7, Section 14 of the 1974 Louisiana Constitution

Criteria: The City rewarded its employees with additional one-time supplemental payroll payments grossing \$44,350 that may have been in violation of Article 7, Section 14 of the 1974 Louisiana Constitution, which prohibits the donation, loan, or pledging of any public funds. The Council and Mayor approved the payments in their October 2019 meeting and the payments were made in December 2019. The payroll payments appear to be a gratuity for services previously rendered by the employees. This was a prior year finding.

Cause: It is possible that these payments could have been allowed under certain conditions. If the City had written provisions in place before the beginning of the fiscal year that provided for the payroll payment contingent upon a specified future event, such payroll payments may have been allowable.

Effect: Possible violation of the Article 7, Section 14 of the 1974 Louisiana Constitution.

Recommendation: Obtain an Attorney General Opinion as to whether this type of payment is allowable and use his/her direction to prevent any future potential violations.

Response: See Corrective Action Plan

Federal Award Findings and Questioned Costs

- None

CITY OF OAKDALE, LOUISIANA
Management's Corrective Action Plan for
Current Year Audit Findings and
Responses (Unaudited)
Year Ended June 30, 2020

Finding #2020-1 I/C:

Misappropriation of Funds

Management will implement enhanced internal controls on ACH transactions.

Finding #2020-2 C:

Local Governmental Budget Act Compliance

Management is monitoring revenues and expenditures monthly and amending the budget as necessary to comply with the Louisiana Local Governmental Budget Act.

Finding #2020-3 I/C:

Inadequate Control Procedure for Time and Attendance Records in the Police Department

The police department will initiate a time recording system that will generally provide documentation of the time employees come to work and leave work so that supervisors are able to accurately monitor time reported for payroll purposes. The only exception will be for under-cover officers who will provide appropriate time sheets subsequent to the hours worked that will allow supervisors to accurately monitor time reported for payroll purposes. The former Chief of Police, who resigned in December 2019, was responsible for this finding. The current Chief of Police, who was appointed in December 2019, has corrected this issue.

Finding #2020-4 I/C:

Incomplete Accounting and Inaccurate/Untimely Prepared Bank Reconciliations

The City Clerk will catch up with the accounting and bank reconciliations as quickly as possible to ensure completion of monthly accountings and bank reconciliations during the month following the month being reconciled.

Finding #2020-5 C:

Article 7, Section 14 of the 1974 Louisiana Constitution

The City will not make any future one-time supplemental payroll payments until it receives a favorable opinion from the Louisiana Attorney General. In the meantime, the City will create written provisions, before the beginning of the fiscal year during which any one-time supplemental payroll payments will be made. The provision will provide for a contingency or goal to be achieved upon a specified future event before the payments are made.

CITY OF OAKDALE, LOUISIANA
Summary Schedule of Prior Year Audit Findings
Year Ended June 30, 2020

Finding #2019-1 C:

Louisiana Public Bid Law Compliance

Management is now aware of the requirements of the Louisiana Public Bid Law and will comply in the future.

Finding #2019-2 C:

Local Governmental Budget Act Compliance

Management is monitoring revenues and expenditures monthly and amending the budget as necessary to comply with the Louisiana Local Governmental Budget Act.

Finding #2019-3 I/C:

Utilization of Inappropriate Control Procedure for Time and Attendance Records in the Police Department:

The police department will initiate a time recording system that will generally provide documentation of the time employees come to work and leave work so that supervisors are able to accurately monitor time reported for payroll purposes. The only exception will be for undercover officers who will provide appropriate time sheets subsequent to the hours worked that will allow supervisors to accurately monitor time reported for payroll purposes.

Finding #2019-4 I/C:

Incomplete Accounting and Inaccurate/Untimely Prepared Bank Reconciliations

The City Clerk will catch up with complete and accurate accounting and bank reconciliations as quickly as possible to ensure accurate monthly accountings and bank reconciliations during the month following the month being reconciled.

Finding #2019-5 C:

Article 7, Section 14 of the 1974 Louisiana Constitution

The City will not provide one-time supplemental payroll payments without first establishing the required contingency or goal requirements to be achieved upon specified future event and then confirming that those contingencies or goals have been achieved.